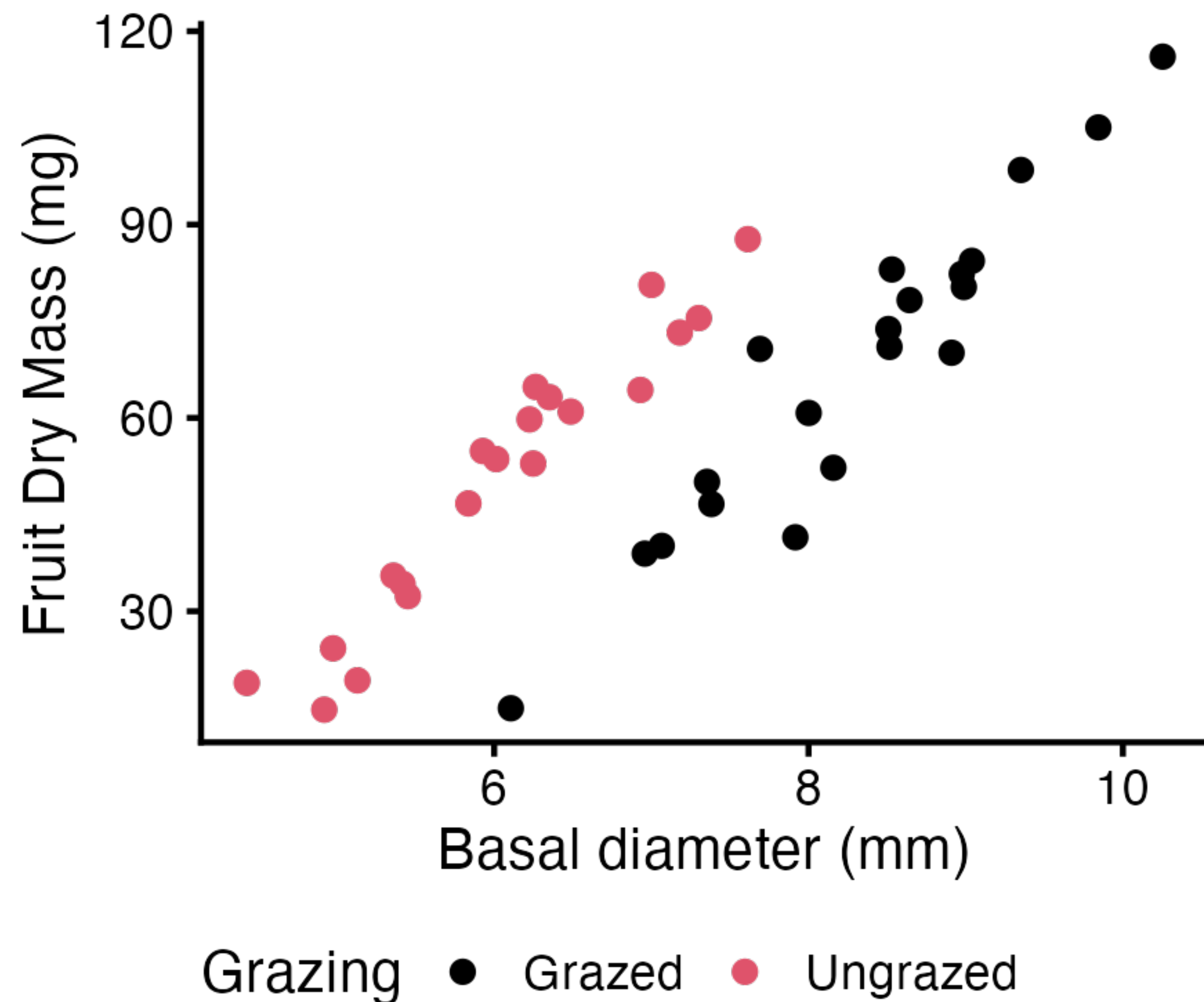


Scale variables



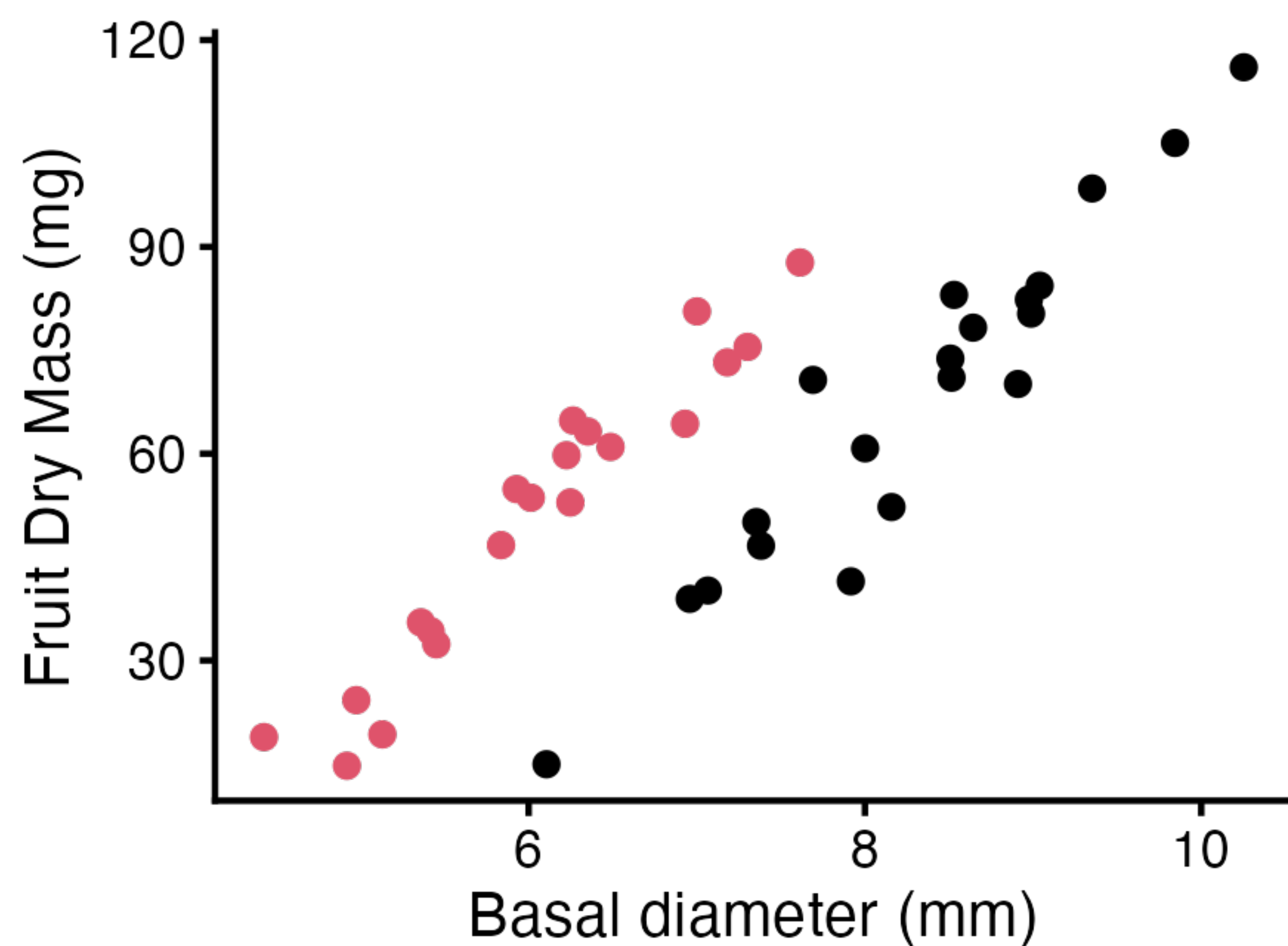
- It's good practice to scale variables by their standard deviation and subtract the mean:

$$\tilde{y}_i = \frac{y_i - \bar{y}}{sd(y)}$$

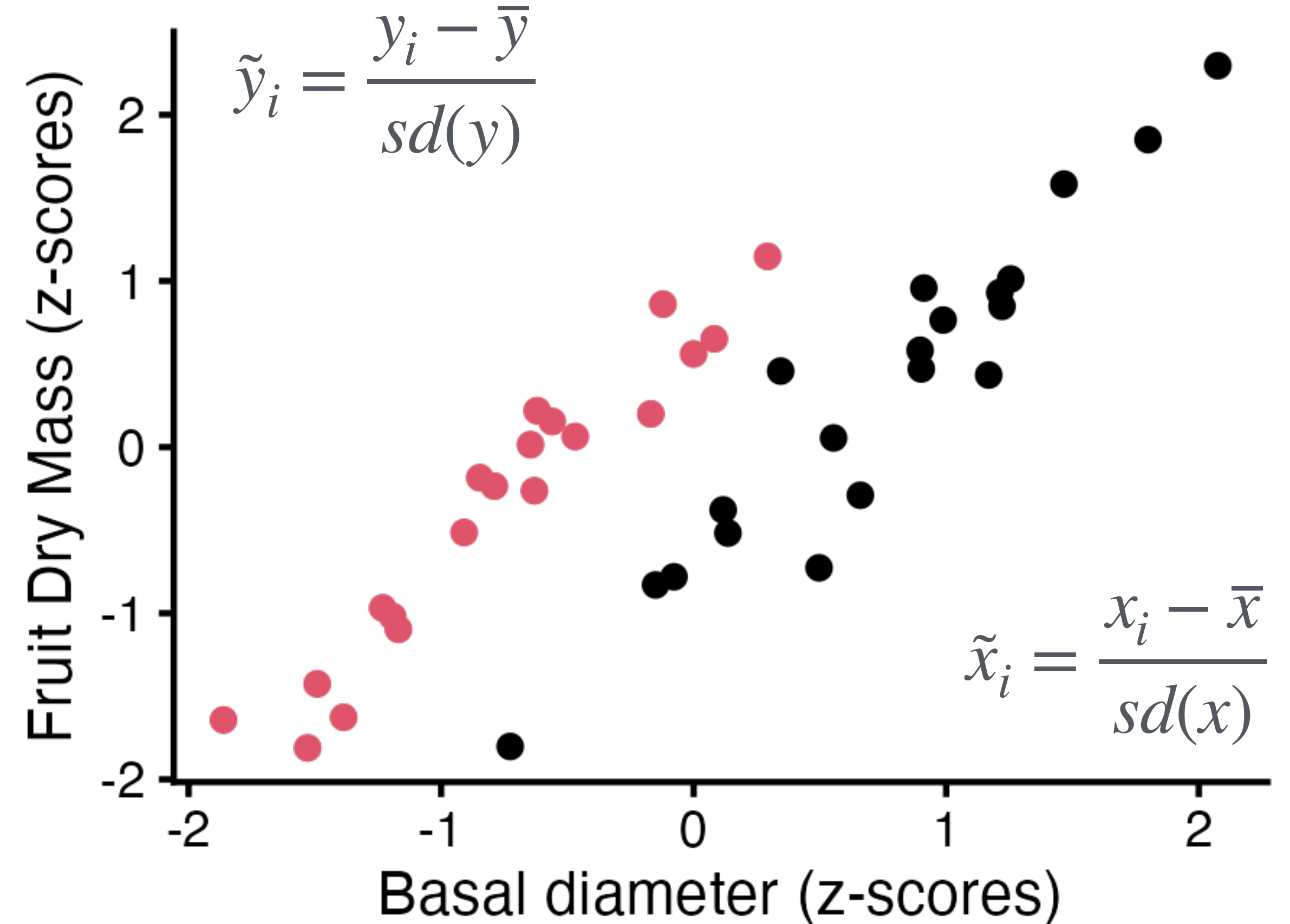
- The **z-score** of a continuous variable is a measure of how many standard deviations a data point is from the mean of the dataset
- Using z-scores makes coefficients easier to interpret and comparable across variables with different scales
- The transformation is linear, and we can always recover parameter values on their original scale by multiplying by the standard deviation

Scale variables

Using standard deviation units makes everything simpler



Grazing ● Grazed ● Ungrazed ●



Grazing ● Grazed ● Ungrazed ●