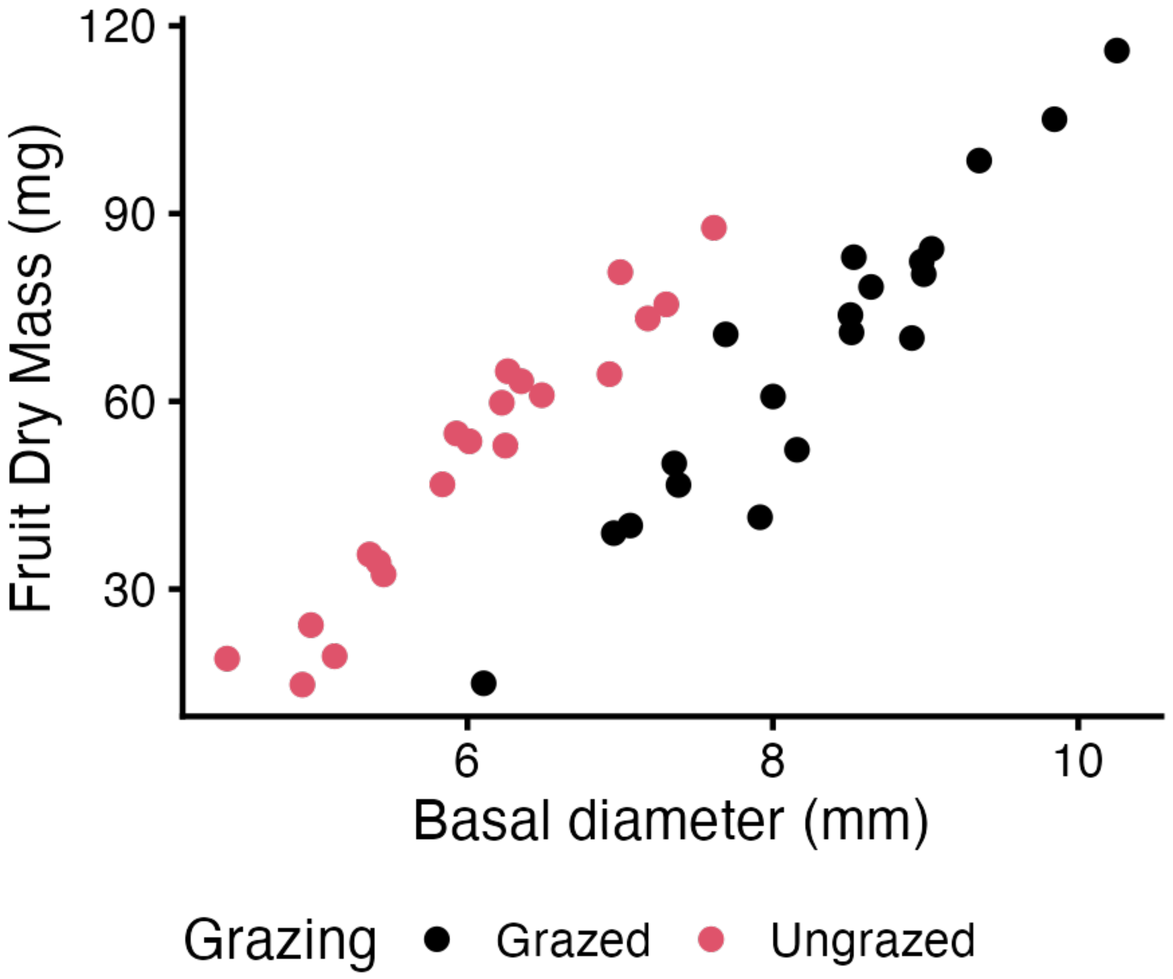
Scale variables



- 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