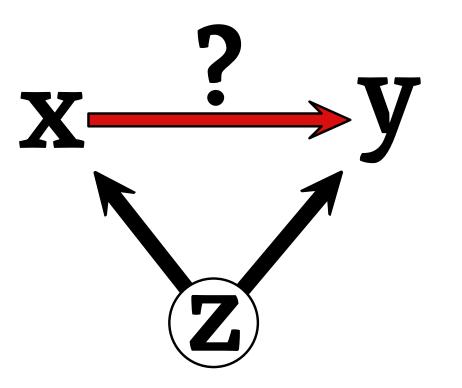
Simulating a shared cause

Math

```
y \sim Normal(\mu = 1 + 0.5x + 2z, \sigma = 1)x \sim Normal(\mu = 1 + z, \sigma = 1)z \sim Bernoulli(p = 0.5)
```



R Code

Statistical model without the confounder z

```
N = 200
z = rbinom(N, 1, 0.5)
x = rnorm(N, 1 + z)
y = rnorm(N, 1 + 0.5*x + 2*z)
m1 = lm(y \sim x)
```