

# **SOC542 Statistical Methods in Sociology II**

## **Categorical outcomes**

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## Course updates

- ▶ Homework 4 due Friday, 4/18 at 5pm
- ▶ Project preliminary results due next Friday, 4/25 at 5pm
- ▶ Presentations in class on 5/5

# Course updates

- ▶ Labs
  - ▶ This week is final lab on lecture material
  - ▶ Remaining labs are project workshops
    - ▶ Attendance is still mandatory, but use the time to work on your analyses and troubleshoot

# Plan

- ▶ Categorical outcomes
- ▶ Multinomial logistic regression
- ▶ Ordered logistic regression

# Categorical outcomes

## Categories of categories

- ▶ A categorical outcome consists of *three or more discrete categories*
- ▶ *Ordered* categorical outcomes
  - ▶ e.g. Very good, good, okay, bad, very bad.
- ▶ *Unordered* (or nominal) categorical outcomes
  - ▶ e.g. Single, in a relationship, married, divorced, it's complicated.

# Categorical outcomes

## Intervals

- ▶ If a categorical variable is *ordered* then there should be an **interval** between categories such that each category can be positioned on a single dimension.
  - ▶ These intervals may vary between categories:
    - ▶ e.g. The difference between good and very good may be larger than difference between good and okay.
- ▶ Categories without any ordering do not have clearly defined intervals between categories.

# Categorical outcomes

## Modeling categories using existing approaches

- ▶ OLS regression
  - ▶ Only suitable if there are many categories and intervals are *evenly spaced*
- ▶ *One-versus-rest* logistic regression models
  - ▶ One model for each category with a binary outcome
  - ▶ Limitations: Loss of information

# Data

## GSS 2018

- ▶ Two outcomes from the GSS 2018:
  - ▶ Unordered: Marital status
    - ▶ Married, widowed, divorced, separated, never
  - ▶ Ordered: Self-reported health
    - ▶ Excellent, good, fair, poor



# Models for categorical outcomes

- ▶ We will be considering two different approaches using variations of logistic regression:
  1. Unordered outcomes modeled using **multinomial** logistic regression
  2. Ordered outcomes modeled using **ordinal** logistic regression

# Multinomial logistic regression

- ▶ **Multinomial logistic regression** models generalizes logistic regression to *unordered* categorical outcomes.
- ▶ For a set of  $K$  outcomes, we can model the linear propensity for outcome  $k$  using a linear model with  $n$  predictors.

$$\lambda_k = \beta_{0k} + \beta_{1k}x_1 + \dots + \beta_{nk}x_n$$

- ▶ Jointly estimate a set of equations, one for each category.

# Multinomial logistic regression

- ▶ The probability of outcome  $y_k$  is represented by the **softmax** link function.<sup>1</sup> The probability of outcome  $k$  is the exponentiated linear propensity of outcome  $k$  relative to the sum of exponentiated linear propensities of all outcomes in the set  $K$  (Kruschke 2015: 650).

$$P(y = k|X) = \text{softmax}_K(\lambda_k) = \frac{e^{\lambda_k}}{\sum_{i \in K} e^{\lambda_i}}$$

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<sup>1</sup>The approach is therefore sometimes referred to as **softmax regression**.

# Multinomial logistic regression

- ▶ Due to the constraints on the system, one category will always produce the following equation:

$$\lambda_r = \beta_{0r} + \beta_{1r}x_1 + \dots + \beta_{nr}x_n = 0 + 0x_1 + \dots + 0x_n = 0$$

- ▶ We therefore select a category to leave out as the *reference category*.
- ▶ Estimated coefficients can thus be interpreted as the log odds of each outcome, relative to the reference category.

# Multinomial logistic regression

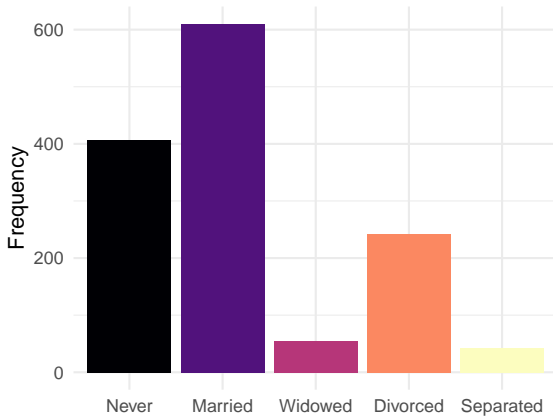
## Estimation

- ▶ These models are more complex than other GLMs due to the estimation of multiple equations.
- ▶ Maximum likelihood models can be estimated using `nnet::multinom`<sup>2</sup>
- ▶ Bayesian models can be estimated using the `brms` package and `family = categorical(link = "logit")`.

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<sup>2</sup>Other packages are available but require additional data manipulation before modeling. See [this blog](#) for further discussion.

## Data: Marital status



# Multinomial logistic regression

## Estimation

```
library(nnet)
gss$marital <- relevel(gss$marital, ref = "Never")
m1 <- multinom(marital ~ age + sex + log(realrinc) + educ, data = gss)

## # weights:  30 (20 variable)
## initial  value 2184.007247
## iter   10 value 1667.335362
## iter   20 value 1459.416635
## iter   30 value 1441.935116
## final   value 1441.935011
## converged
```

## Multinomial logistic regression

	(1)			
	Married	Widowed	Divorced	Separated
(Intercept)	-6.546*** (0.669)	-10.986*** (1.500)	-8.047*** (0.860)	-7.817*** (1.544)
age	0.092*** (0.007)	0.187*** (0.015)	0.122*** (0.008)	0.096*** (0.014)
sexMale	-0.365* (0.153)	-1.422*** (0.347)	-0.900*** (0.196)	-0.689* (0.347)
log(realrinc)	0.385*** (0.069)	0.262* (0.128)	0.413*** (0.087)	0.500** (0.167)
educ	-0.014 (0.028)	-0.125* (0.058)	-0.081* (0.035)	-0.197*** (0.055)
Num.Obs.	1357			
R2	0.542			



# Multinomial logistic regression

	(1)			
	Married	Widowed	Divorced	Separated
(Intercept)	0.001*** (0.001)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.001)
age	1.096*** (0.007)	1.206*** (0.018)	1.130*** (0.009)	1.100*** (0.015)
sexMale	0.694* (0.107)	0.241*** (0.084)	0.407*** (0.080)	0.502* (0.174)
log(realrinc)	1.470*** (0.102)	1.299* (0.166)	1.511*** (0.131)	1.649** (0.275)
educ	0.987 (0.027)	0.882* (0.051)	0.922* (0.032)	0.821*** (0.045)
Num.Obs.	1357			
R2	0.542			

# Multinomial logistic regression

## Interpretation

- ▶ Each column is an equation for a specified category comparing a group to the *baseline* (Never married).
- ▶ For example, the first column represents the following equation:

$$\log\left(\frac{y = \text{married}}{y = \text{never married}}\right) = \beta_{10} + \beta_{11}\text{Age} + \beta_{12}\text{Sex} + \beta_{13}\text{Income} + \beta_{14}\text{Educ}$$

# Multinomial logistic regression

## Interpretation

- ▶  $\beta_{11}$  indicates that a one-year increase in age is associated with a .092 change in the log odds of being married compared to never married.
- ▶ Like standard logistic regression  $e^{\beta_{11}}$  can be interpreted as an odds ratio.
  - ▶ In this case, it is the **relative risk ratio** of being married vs. never married.

# Multinomial logistic regression

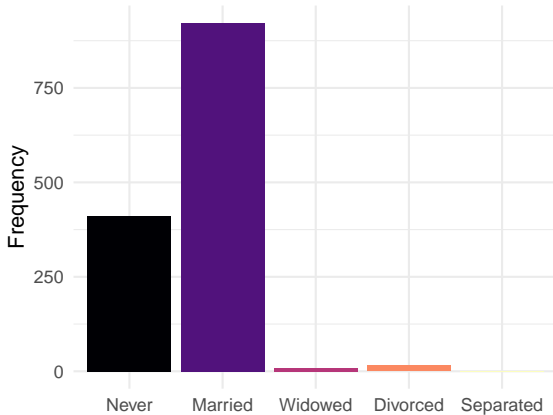
## Predictions

The `predict` function returns a factor variable containing the highest probability category for each observation.

```
preds <- predict(m1, gss %>% drop_na(age, sex, realrinc, educ, marital))
preds %>% head(20)
```

```
## [1] Married Married Married Married Divorced Married Married
## [9] Married Widowed Married Married Married Married Married
## [17] Divorced Never Married Married
## Levels: Never Married Widowed Divorced Separated
```

# Multinomial logistic regression



# Multinomial logistic regression

## Predictions

- ▶ The model predicts almost all people as never married or married.
- ▶ It rarely predicts widowed or divorced and did not predict any people to be separated.
- ▶ Data imbalances make never/married the most likely categories; additional variables may help to predict other categories.

# Multinomial logistic regression

## Predictions

Setting `type = "probs"` returns a vector of probabilities for each observation. Each element indicates  $P(y_i = k)$ .

```
probs <- predict(m1, type = "probs", gss %>% drop_na())  
probs %>% round(3) %>% head(5)
```

```
##      Never Married Widowed Divorced Separated  
## 1 0.052    0.459    0.117    0.331    0.042  
## 2 0.278    0.522    0.010    0.148    0.042  
## 3 0.059    0.692    0.025    0.205    0.019  
## 4 0.215    0.611    0.007    0.140    0.027  
## 5 0.008    0.265    0.370    0.328    0.029
```

# Multinomial logistic regression

## Predictions

The probabilities for each observation sum to one, a feature of the softmax function.

```
probs %>% head(5) %>% rowSums() %>% as.numeric()  
## [1] 1 1 1 1 1
```



# Multinomial logistic regression

## Limitations

- ▶ Larger samples required compared to more simple models, particularly when categories are imbalanced
- ▶ Difficult to evaluate model fit
- ▶ Unstable if some variables perfectly predict category membership or have no overlap with certain categories.

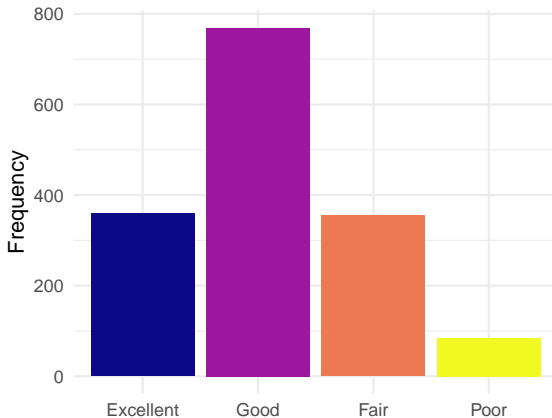
# Ordinal logistic regression

- ▶ The multinomial framework could be used for ordinal data, but it ignores any information about the order of categories.
- ▶ **Ordinal** logistic regression accounts for ordering by using **cutpoints** to map the intervals between categories onto a linear scale.

# Ordinal logistic regression

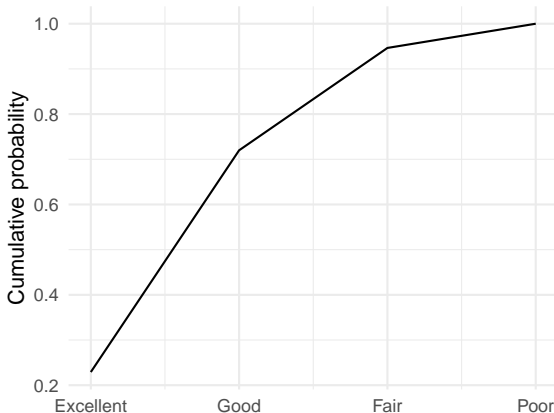
- ▶ Methodology:
  - ▶ Map categorical outcome onto cumulative probability scale using cumulative link.
  - ▶ Convert to log-cumulative-odds, analogue of the logit link for cumulative scale.
  - ▶ Construct a linear model to examine association between predictors and outcome, while maintaining information on order.

## Data: Self-reported health



# Ordinal logistic regression

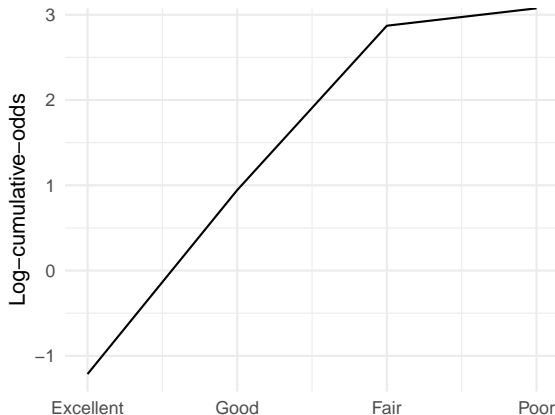
## Cumulative probabilities of each class



```
## [1] 0.229 0.720 0.946 1.000
```

# Ordinal logistic regression

## Log cumulative odds



```
## [1] -1.213  0.944  2.871  Inf
```

# Ordinal logistic regression

## Estimation

- ▶ Each cutpoint represents the log-cumulative-odds that  $y_i$  is less than or equal to some value  $k$ . These are analogous to *group-level intercepts*.

$$\log\left(\frac{P(y_i \leq k)}{1 - P(y_i \leq k)}\right) = \alpha_k$$

- ▶ The intercept for the final value is  $\infty$  since  $\log\left(\frac{1}{1-1}\right) = \infty$ . Therefore we only need  $K - 1$  intercepts.

# Ordinal logistic regression

## Estimation

- ▶ If we use the inverse link, we can go back from cumulative-log-odds to cumulative probabilities. The likelihood of  $k$  is expressed as

$$p_k = P(y_i = k) = P(y_i \leq k) - P(y_i \leq k - 1)$$

- ▶ In the context of your example, we could express the likelihood of “Good” health as

$$p_{\text{good}} = P(y_i = \text{good}) = P(y_i \leq \text{good}) - P(y_i \leq \text{excellent})$$



# Ordinal logistic regression

## Estimation

- ▶ Given this  $K - 1$  length vector of intercepts,  $\alpha_{k \in K-1}$ , we can use a linear model to predict the log-cumulative-odds that  $y_i = k$  given a matrix of predictors  $X$ :

$$\phi_i = \beta X_i$$
$$\log\left(\frac{P(y_i \leq k)}{1 - P(y_i \leq k)}\right) = \alpha_k - \phi_i$$

# Ordinal logistic regression

## Estimation

- ▶ Once again, we cannot fit the model using `glm`. Instead, we can use the `polr` function from the MASS package.
- ▶ `rstanarm` includes a Bayesian implementation, `stan_polr`

# Ordinal logistic regression

## Estimation

```
library(MASS)
m2 <- polr(health ~ age + I(log(realrinc)) + educ + sex + race,
           data = gss, Hess = TRUE)
```

The argument `Hess = TRUE` ensures the Hessian matrix is stored. This is necessary for subsequent model evaluation.

## Ordinal logistic regression<sup>3</sup>

	Log odds	Odds ratios
age	0.004 (0.005)	1.004 (0.005)
l(log(realrinc))	-0.204 (0.058)	0.815 (0.047)
educ	-0.102 (0.024)	0.903 (0.022)
sexMale	0.098 (0.130)	1.102 (0.144)
raceBlack	0.148 (0.174)	1.160 (0.201)
raceOther	0.248 (0.207)	1.282 (0.265)
Num.Obs.	906	906

# Ordinal logistic regression

## Predictions

```
preds2 <- predict(m2, gss %>% drop_na(health, age, sex, race, realrinc,  
preds2 %>% head(20)
```

```
## [1] Good Good Good Good Good Good Good Good Good Good Good Good Good  
## [16] Good Good Good Good Good  
## Levels: Excellent Good Fair Poor
```

# Ordinal logistic regression

## Predictions



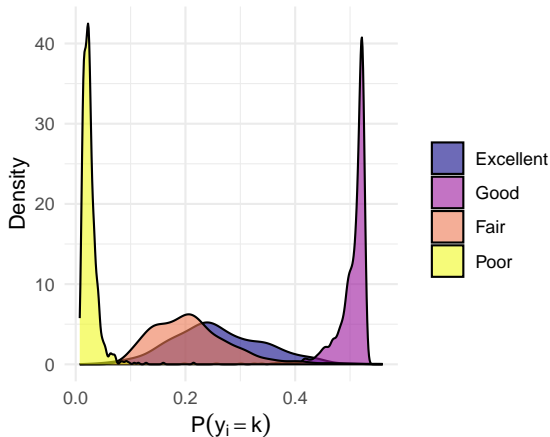
# Ordinal logistic regression

## Predictions

```
probs2 <- predict(m2, type = "prob",  
                  gss %>%  
                    drop_na(health, age, sex, race, realrinc, educ))  
probs2 %>% round(3) %>% head(5)
```

##		Excellent	Good	Fair	Poor
## 1		0.193	0.517	0.258	0.032
## 2		0.219	0.523	0.231	0.027
## 3		0.404	0.470	0.114	0.011
## 4		0.307	0.512	0.163	0.017
## 5		0.174	0.509	0.281	0.036

# Ordinal logistic regression





# Ordinal logistic regression

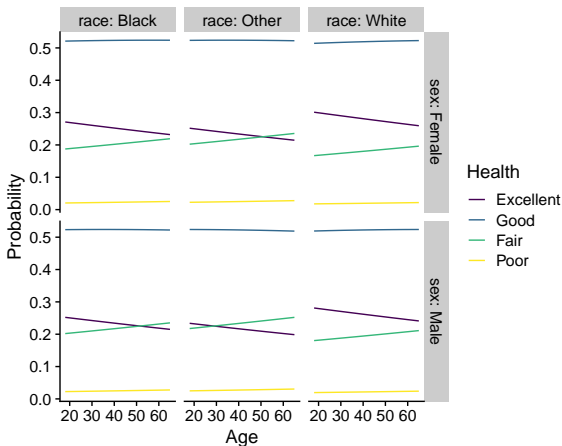
## More predictions

We can easily generate predictions for all combinations of predictors.

```
newdat <- expand_grid(  
  race = c("Black", "White", "Other"),  
  sex = c("Female", "Male"),  
  educ = 12,  
  realrinc = c(50000),  
  age = 18:65)  
  
newpreds <- predict(m2, newdat, type = "probs")  
head(newpreds, 5) %>% round(3)
```

##	Excellent	Good	Fair	Poor
## 1	0.271	0.521	0.187	0.021
## 2	0.270	0.521	0.188	0.021
## 3	0.269	0.521	0.189	0.021
## 4	0.268	0.521	0.189	0.021
## 5	0.268	0.522	0.190	0.021

# Ordinal logistic regression



# Ordinal logistic regression

## Cutpoints

The cutpoints can be extracted using the zeta parameter.

```
cuts <- m2$zeta  
print(cuts)
```

## Excellent Good	Good Fair	Fair Poor
## -4.1986283	-1.8720014	0.6567534

# Ordinal logistic regression

## Cutpoints

We can obtain the probability associated with each cutpoint by using the inverse logit function,  $\frac{e^x}{1+e^x}$ .

```
inv.logit <- function(x) {  
  return(exp(1)^x / (1 + exp(1)^x))  
}
```

```
cut.probs <- inv.logit(cuts)  
cut.probs %>% round(3) %>% print()
```

## Excellent Good	Good Fair	Fair Poor
## 0.015	0.133	0.659

# Ordinal logistic regression

## Latent variables

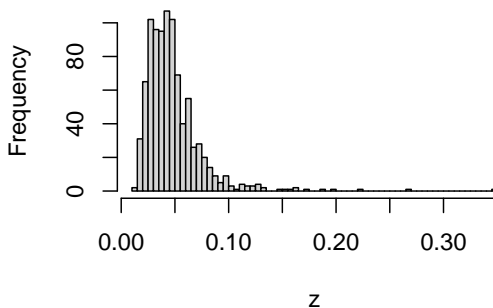
One way to understand the model is to extract a *latent variable* representing the predicted position of each outcome on the cumulative probability scale without subtracting the intercepts. We can then observe where each observation falls between the cutpoints.

```
z <- m2$lp %>% inv.logit()  
z %>% head(10) %>% round(3)
```

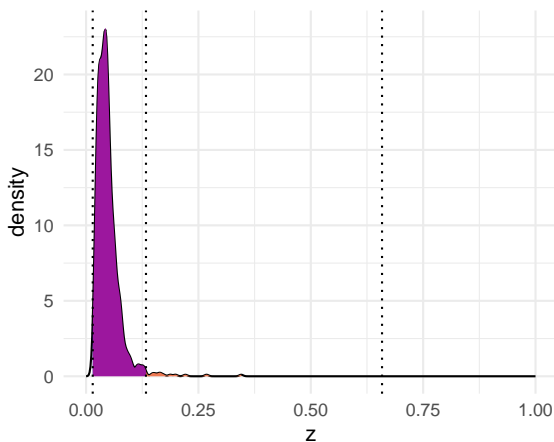
##	7	8	11	14	16	19	21	24	25	27
##	0.059	0.051	0.022	0.033	0.067	0.018	0.033	0.048	0.038	0.051

# Ordinal logistic regression

Histogram of  $z$



# Ordinal logistic regression



# Ordinal logistic regression

## Limitations

- ▶ Similar to multinomial logistic regression
  - ▶ Larger samples required compared to more simple models
  - ▶ Difficult to evaluate model fit
  - ▶ Unstable if some variables perfectly predict category membership or have no overlap with certain categories



# Ordinal logistic regression

## Proportional odds assumption

- ▶ Assumes the relationship between the predictors and each pair of outcomes is the same (hence one set of coefficients). - Additional tests are required to verify this is met.<sup>4</sup>

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<sup>4</sup> See the [UCLA stats blog](#) for details.

# Categorical outcomes

## Frequentist and Bayesian approaches

- ▶ Due to the complexity of the models, many frequentist approaches require additional testing and analysis to diagnose issues and assess model fit
- ▶ In contrast, we can use the same tools to evaluate Bayesian models:
  - ▶ Trace plots and MCMC diagnostics for estimation issues
  - ▶ LOO-CV and ELPD for fit
  - ▶ PSIS diagnostics for outliers
  - ▶ Posterior predictive checks for predictions and fit
- ▶ Either way, these models are more cumbersome to work with than other single-equation GLMs

# Summary

- ▶ Categorical outcomes can be modeled using specialized types of generalized linear models
- ▶ Unordered categories
  - ▶ Multinomial logistic regression
- ▶ Ordered categories
  - ▶ Ordinal logistic regression
  - ▶ OLS if many categories and equal intervals
- ▶ These models are complex and more difficult to fit and interpret than previous models we have covered