Interpreting Output

model: $y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + u$

$$y$$
 = birth weight in ounces
 x_1 = nr of cigarettes smoked per day by pregnant mother
 x_2 = family income in \$1000

```
Call:
lm(formula = bwght ~ cigs + faminc, data = bwght)
Residuals:
   Min 1Q Median 3Q Max
-96.061 -11.543 0.638 13.126 150.083
Coefficients:
           Estimate Std. Error t value Pr(>|t|)
cigs -0.46341 0.09158 -5.060 4.75e-07 ***
faminc 0.09276 0.02919 3.178 0.00151 **
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
Residual standard error: 20.06 on 1385 degrees of freedom
Multiple R-squared: 0.0298, Adjusted R-squared: 0.0284
F-statistic: 21.27 on 2 and 1385 DF, p-value: 7.942e-10
```

Interpreting Output

model:
$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + u$$

```
y = birth weight in ounces
```

 x_1 = nr of cigarettes smoked per day by pregnant mother

 x_2 = family income in \$1000

```
Call:
lm(formula = bwght \sim cigs + faminc, data = bwght)
Residuals:
   Min
           1Q Median
-96.061 -11.543 0.638 13.126 150.083
Coefficients:
           Estimate Std. Error t value Pr(>|t|)
-0.46341 0.09158 -5.060 4.75e-07 ***
cigs
faminc 0.09276 0.02919 3.178 0.00151 **
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
Residual standard error: 20.06 on 1385 degrees of freedom
Multiple R-squared: 0.0298, Adjusted R-squared: 0.0284
F-statistic: 21.27 on 2 and 1385 DF, p-value: 7.942e-10
```

Standardization/Z-scoring

Example: Heptathlon scores in the 2012 Olympics





which performance is more remarkable?

$$z = \frac{x - \bar{x}}{\sigma_x}$$

^{*}was later disqualified for doping but we take these numbers as face values for the sake of our example