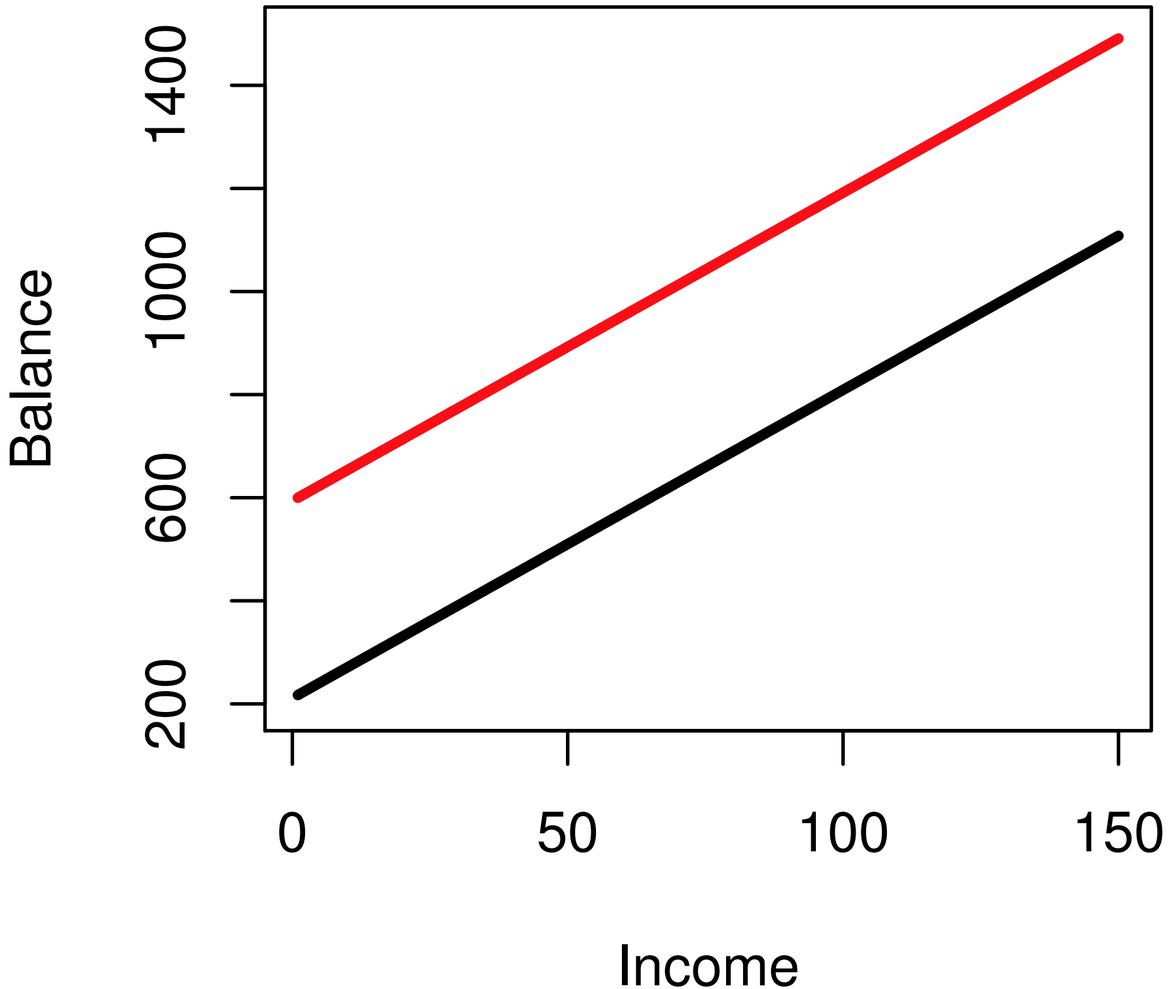
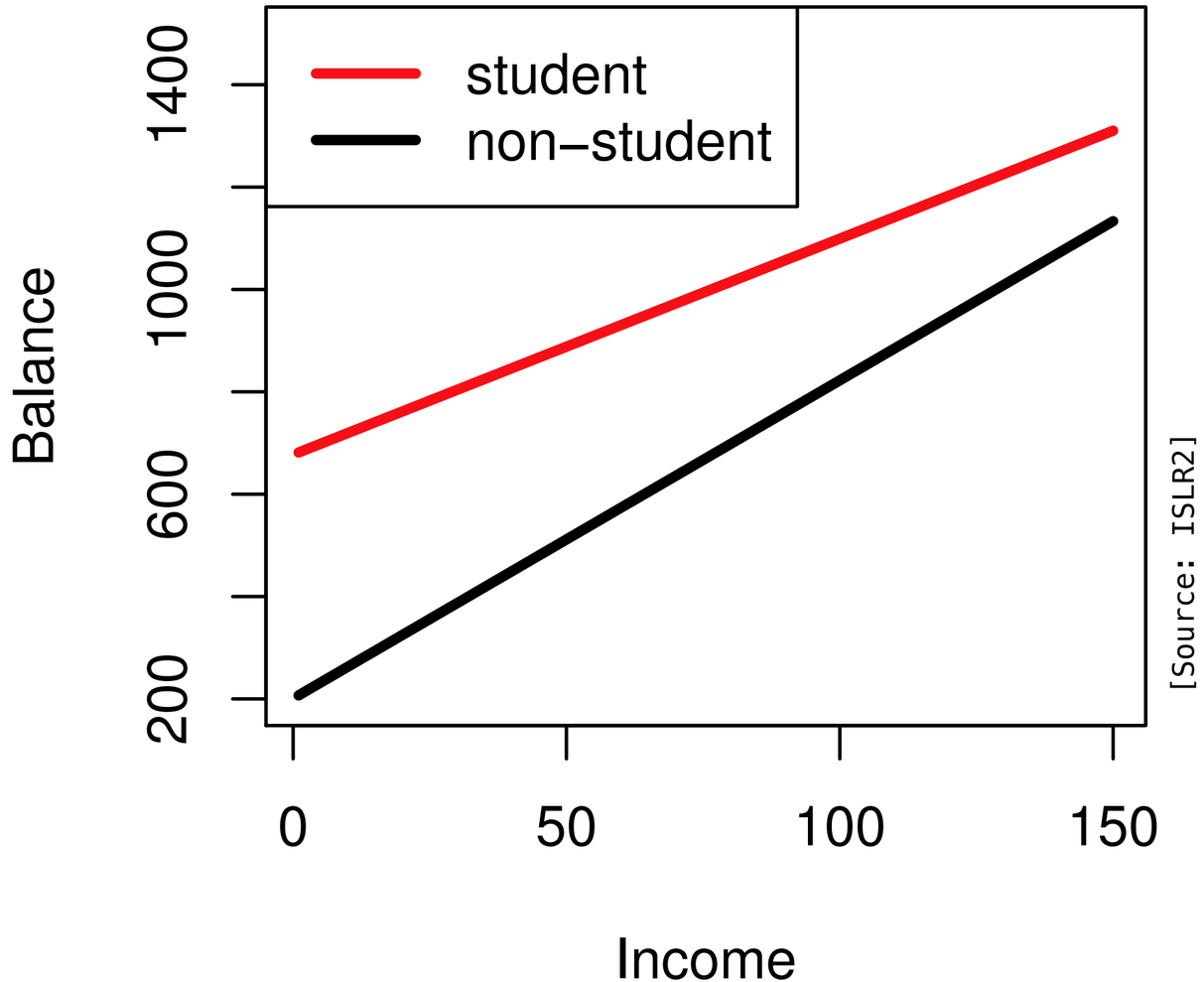
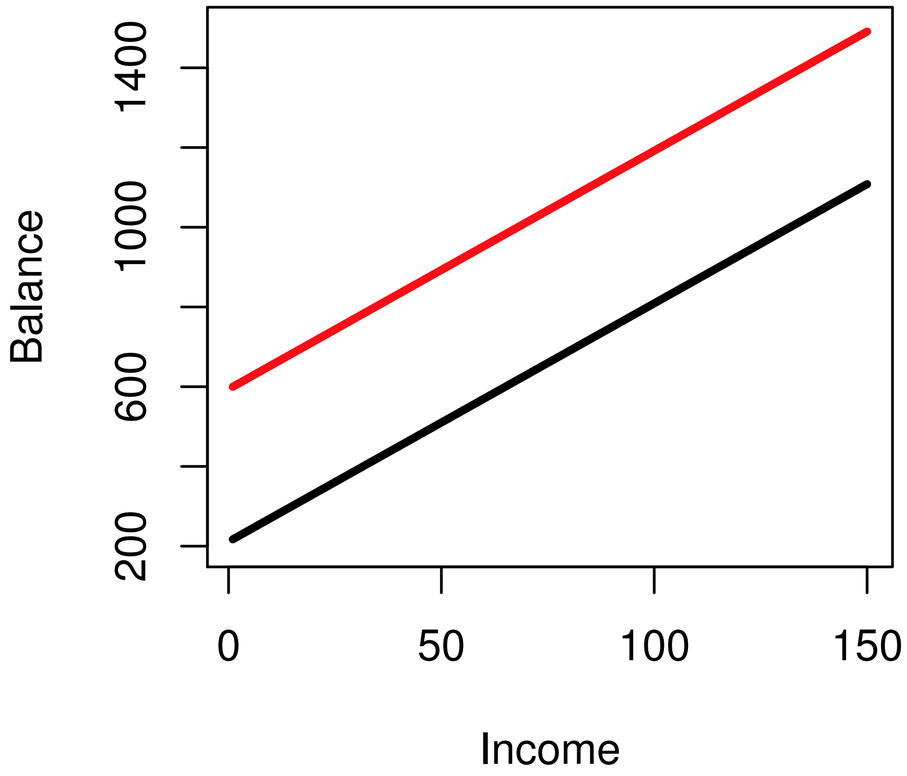
Interactions

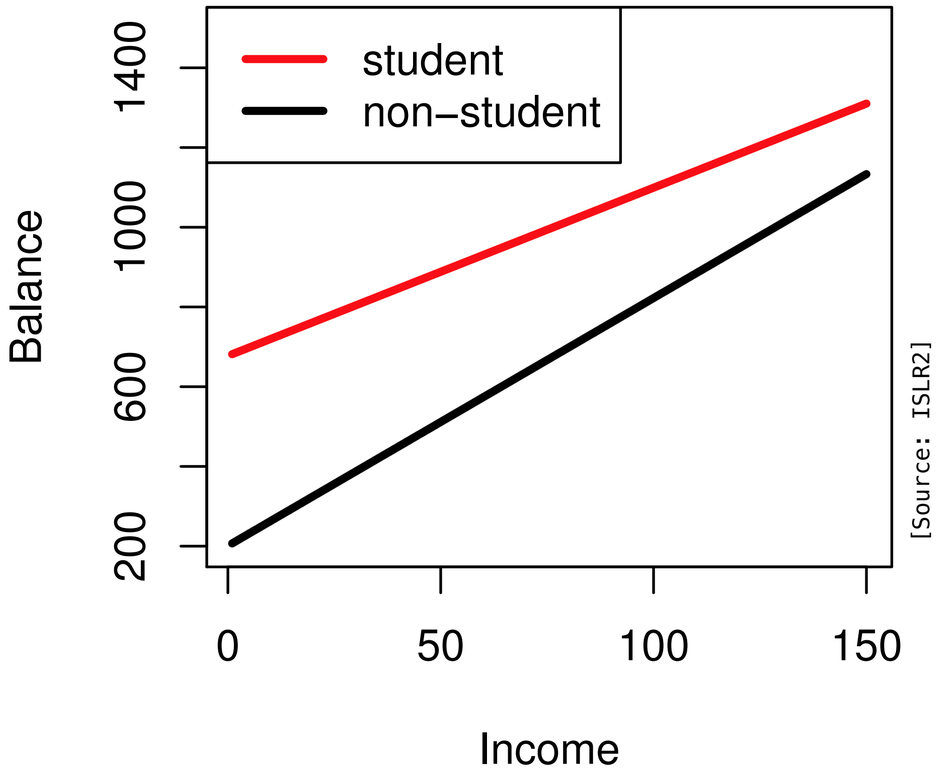
$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 (X_1 \times X_2)$$


Balance
200
600
1000
1400
0
50
100
150
Income


student
non−student
Balance
200
600
1000
1400
0
50
100
150
Income
[Source: ISLR2]

Interactions





$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 (X_1 \times X_2)$$

Interactions