

Computing Primer for Applied Linear Regression, 4th Edition, Using R

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Contents

0	Introduction	vi
0.1	Getting R and Getting Started	vii
0.2	Packages You Will Need	vii
0.3	Using This Primer	vii
0.4	If You Are New to R.	viii
0.5	Getting Help	viii
0.6	The Very Basics	ix
0.6.1	Reading a Data File	x
0.6.2	Reading Your Own Data into R	xi
0.6.3	Reading Excel Files	xiii
0.6.4	Saving Text and Graphs	xiii
0.6.5	Normal, F , t and χ^2 tables	xiv

1	Scatterplots and Regression	1
1.1	Scatterplots	1
1.4	Summary Graph	6
1.5	Tools for Looking at Scatterplots	6
1.6	Scatterplot Matrices	7
1.7	Problems	8
2	Simple Linear Regression	9
2.2	Least Squares Criterion	12
2.3	Estimating the Variance σ^2	13
2.5	Estimated Variances	14
2.6	Confidence Intervals and t -Tests	15
2.7	The Coefficient of Determination, R^2	16
2.8	The Residuals	20
2.9	Problems	20
3	Multiple Regression	23
3.1	Adding a Term to a Simple Linear Regression Model	23
	3.1.1 Explaining Variability	24
	3.1.2 Added-Variable Plots	24
3.2	The Multiple Linear Regression Model	26
3.3	Regressors and Predictors	26
3.4	Ordinary Least Squares	28
3.5	Predictions, Fitted Values and Linear Combinations	30
3.6	Problems	31
4	Interpretation of Main Effects	32
4.1	Understanding Parameter Estimates	32
	4.1.1 Rate of Change	32
	4.1.3 Interpretation Depends on Other Terms in the Mean Function	34

4.1.5	Colinearity	36
4.1.6	Regressors in Logarithmic Scale	36
4.6	Problems	38
5	Complex Regressors	40
5.1	Factors	40
5.1.1	One-Factor Models	43
5.1.2	Adding a Continuous Predictor	45
5.1.3	The Main Effects Model	45
5.3	Polynomial Regression	46
5.3.1	Polynomials with Several Predictors	49
5.4	Splines	49
5.5	Principal Components	50
5.6	Missing Data	52
6	Testing and Analysis of Variance	53
6.1	The <code>anova</code> Function	54
6.2	The <code>Anova</code> Function	57
6.3	The <code>linearHypothesis</code> Function	58
6.4	Comparisons of Means	61
6.5	Power	66
6.6	Simulating Power	69
7	Variances	71
7.1	Weighted Least Squares	71
7.2	Misspecified Variances	73
7.2.1	Accommodating Misspecified Variance	73
7.2.2	A Test for Constant Variance	75
7.3	General Correlation Structures	75
7.4	Mixed Models	75

7.6	The Delta Method	76
7.7	The Bootstrap	77
8	Transformations	78
8.1	Transformation Basics	78
8.1.1	Power Transformations	79
8.1.2	Transforming Only the Predictor Variable	79
8.1.3	Transforming One Predictor Variable	80
8.2	A General Approach to Transformations	82
8.2.1	Transforming the Response	83
8.4	Transformations of Nonpositive Variables	86
8.5	Additive Models	86
8.6	Problems	86
9	Regression Diagnostics	87
9.1	The Residuals	93
9.1.2	The Hat Matrix	93
9.1.3	Residuals and the Hat Matrix with Weights	95
9.2	Testing for Curvature	95
9.3	Nonconstant Variance	95
9.4	Outliers	96
9.5	Influence of Cases	96
9.6	Normality Assumption	98
10	Variable Selection	99
10.1	Variable Selection and Parameter Assessment	99
10.2	Variable Selection for Discovery	99
10.2.1	Information Criteria	99
10.2.2	Stepwise Regression	100
10.2.3	Regularized Methods	104

10.3 Model Selection for Prediction	104
10.3.1 Cross Validation	104
10.4 Problems	104
11 Nonlinear Regression	105
11.1 Estimation for Nonlinear Mean Functions	105
11.3 Starting Values	105
11.4 Bootstrap Inference	112
12 Binomial and Poisson Regression	116
12.2 Binomial Regression	119
12.3 Poisson Regression	124
A Appendix	126
A.5 Estimating $E(Y X)$ Using a Smoother	126
A.6 A Brief Introduction to Matrices and Vectors	129
A.9 The QR Factorization	129
A.10 Spectral Decomposition	131

CHAPTER 0

Introduction

This computer primer supplements *Applied Linear Regression, 4th Edition* ([Weisberg, 2014](#)), abbreviated ALR thought this primer. The expectation is that you will read the book and then consult this primer to see how to apply what you have learned using R.

The primer often refers to specific problems or sections in ALR using notation like ALR[3.2] or ALR[A.5], for a reference to Section 3.2 or Appendix A.5, ALR[P3.1] for Problem 3.1, ALR[F1.1] for Figure 1.1, ALR[E2.6] for an equation and ALR[T2.1] for a table. The section numbers in the primer correspond to section numbers in ALR. An index of R functions and packages is included at the end of the primer.

0.1 Getting R and Getting Started

If you don't already have R, go to the website for the book

```
http://z.umn.edu/alr4ed
```

and follow the directions there.

0.2 Packages You Will Need

When you install R you get the basic program and a common set of packages that give the program additional functionality. Three additional packages not in the basic distribution are used extensively in ALR: `alr4`, which contains all the data used in ALR in both text and homework problems, `car`, a comprehensive set of functions added to R to do almost everything in ALR that is not part of the basic R, and finally `effects`, used to draw effects plots discussed throughout this *Primer*. The website includes directions for getting and installing these packages.

0.3 Using This Primer

Computer input is indicated in the *Primer* in **this font**, while output is in `this font`. The usual command prompt “>” and continuation “+” characters in R are suppressed so you can cut and paste directly from the *Primer* into an R window. Beware, however that a current command may depend on earlier commands in the chapter you are reading!

You can get a copy of this primer while running R, assuming you have an internet connection. Here are examples of the use of this function:

```
library(alr4)
alr4Web() # opens the website for the book in your browser
alr4Web("primer") # opens the primer in a pdf viewer
```


The first of these calls to `alr4Web` opens the web page in your browser. The second opens the latest version of this *Primer* in your browser or pdf viewer. This primer is formatted for reading on the computer screen, with aspect ratio similar to a tablet like an iPad in landscape mode.

If you use Acrobat Reader to view the *Primer*, set **View** → **Page Display** → **Single Page View**. Also, bookmarks should be visible to get a quick table of contents; if the bookmarks are not visible, click on the ribbon in the toolbar at the left of the Reader window.

0.4 If You Are New to R...

Chapter 1 of the book *An R Companion To Applied Regression*, Fox and Weisberg (2011), provides an introduction to R for new users. You can get the chapter for free, from

http://www.sagepub.com/upm-data/38502_Chapter1.pdf

The only warning: use `library(alr4)` in place of `library(car)`, as the former loads the data sets from this book as well as the `car`.

0.5 Getting Help

Every package, R function, and data set in a package has a help page. You access help with the `help` function. For example, to get help about the function `sum`, you can type

```
help(sum)
```

The help page isn't shown here: it will probably appear in your browser, depending on how you installed R. Reading an R help page can seem like an adventure in learning a new language. It is hard to write help pages, and also can be hard to read them.

You might ask for help, and get an error message:

```
help(bs)
```

No documentation for 'bs' in specified packages and libraries:
you could try '??bs'

In this instance the `bs` function is in the package `splines`, which has not been loaded. You could get the help page anyway, by either of the following:

```
help(bs, package="splines")
```

or

```
library(splines)  
help(bs)
```

You can get help about a package:

```
help(package="car")
```

which will list all the functions and data sets available in the `car` package, with links to their help pages. Quotation marks are sometimes needed when specifying the name of something; in the above example the quotation marks could have been omitted.

The `help` command has an alias: you can type either

```
help(lm)
```

or

```
?lm
```

to get help. We use both in this primer when we want to remind you to look at a help page.

0.6 The Very Basics

Before you can begin doing any useful computing, you need to be able to read data into the program, and after you are done you need to be able to save and print output and graphs.

0.6.1 Reading a Data File

Nearly all the computing in this book and in the homework problems will require that you work with a pre-defined data set in the `alr4` package. The name of the data set will be given in the text or in problems. For example the first data set discussed in `ALR[1.1]` is the `Heights` data. All you need to do is start R, and then load the `alr4` package with the `library` command, and the data file is immediately available:

```
library(alr4)
dim(Heights)

[1] 1375    2

names(Heights)

[1] "mheight" "dheight"

head(Heights)

  mheight dheight
1    59.7    55.1
2    58.2    56.5
3    60.6    56.0
4    60.7    56.8
5    61.8    56.0
6    55.5    57.9
```

From the `dim` command we see that the dimension of the data file is 1375 rows and 2 columns. From `names` we see the names of the variables, and from `head` we see the first 6 rows of the file. Similarly, for the `wblake` data set,

```
summary(wblake)
```

	Age	Length	Scale
Min.	:1.0	Min. : 55	Min. : 1.05
1st Qu.	:2.5	1st Qu.:138	1st Qu.: 3.57
Median	:5.0	Median :194	Median : 5.79
Mean	:4.2	Mean :193	Mean : 5.86
3rd Qu.	:6.0	3rd Qu.:252	3rd Qu.: 8.02
Max.	:8.0	Max. :362	Max. :14.71

The `summary` function returns summary information about each of the the variables in the data file, such as the means, medians, and a few quantiles. You can view the whole data file either with the `print` command,

```
print(Heights)
```

or simply by typing the name of the object,

```
Heights
```

The output from these last two commands has been omitted.

0.6.2 Reading Your Own Data into R

The command `read.table` is used to read a plain data file (see also COMPANION[2.1]) . The general form of this function is:

```
d <- read.table("filename", header=TRUE, na.strings="?")
```

The filename is a quoted string, like `"C:/My Documents/data.txt"`, giving the name of the data file and its path. All paths in R use forward slashes `"/"`, even with Windows where backslashes `"\"` are standard¹. In place of the file name you can use

¹Getting the path right can be frustrating. If you are using R, select `File` → `Change dir`, and then use `BROWSE` to select the directory that includes your data file. Once you set the path you need only given the name of the file, in quotation marks, to `read.table`.

```
d <- read.table(file.choose(), header=TRUE, na.strings="?")
```

in which case a standard file dialog will open and you can select the file you want in the usual way.

The argument `header=TRUE` indicates that the first line of the file has variable names (you would say `header=FALSE` if this were not so, and then the program would assign variable names like `X1`, `X2` and so on), and the `na.strings="?"` indicates that missing values, if any, are indicated by a question mark rather than the default of `NA` used by R. `read.table` has many more options; type `help(read.table)` to learn about them. R has a package called `foreign` that can be used to read files of other types.

You can also read the data directly into R from the internet:

```
d <-read.table("http://users.stat.umn.edu/~sandy/alr4ed/data/Htw.t.csv",
              header=TRUE, sep=",")
```

You can get most of the data files in the book in this way by substituting the file's name, appending `.csv`, and using the rest of the web address shown. Of course this is unnecessary because all the data files are part of the `alr4` package.

R is *case sensitive*, which means that a variable called `weight` is different from `Weight`, which in turn is different from `WEIGHT`. Also, the command `read.table` would be different from `READ.TABLE`. Path names are case-sensitive on Linux and Macintosh, but not on Windows.

Frustration Alert: Reading data into R or any other statistical package can be frustrating. Your data may have blank rows and/or columns you do not remember creating. Typing errors, substituting a capital "O" in place of a zero, can turn a column into a text variable. Odd missing value indicators like `N/A`, or inconsistent missing value indicators, can cause trouble. Variable names with embedded blanks or other non-standard characters like a hash-mark `#`, columns on a data file for comments, can also cause problems. Just remember: it's not you, this happens to everyone until they have read in a few data sets successfully.

0.6.3 Reading Excel Files

(see also COMPANION[2.1.3]) R is less friendly in working with Excel files². The easiest approach is to *save your data as a “.csv” file*, which is a plain text file, with the items in each row of the file separated by commas. You can then read the “.csv” file with the command `read.csv`,

```
data <- read.csv("ais.csv", header=TRUE)
```

where once again the complete path to the file is required. There are other tools described in COMPANION[2.1.3] for reading Excel spreadsheets directly.

0.6.4 Saving Text and Graphs

The easiest way to save printed output is to select it, copy to the clipboard, and paste it into an editor or word processing program. *Be sure to use a monospaced-font like Courier so columns line up properly.* In R on Windows, you can select `File` → `Save to file` to save the contents of the text window to a file.

The easiest way to save a graph in R on Windows or Macintosh is via the plot’s menu. Select `File` → `Save as` → `filetype`, where `filetype` is the format of the graphics file you want to use. You can copy a graph to the clipboard with a menu item, and then paste it into a word processing document.

In all versions of R, you can also save files using a relatively complex method of defining a *device*, COMPANION[7.4], for the graph. For example,

```
pdf("myhist.pdf", horizontal=FALSE, height=5, width=5)
hist(rnorm(100))
dev.off()
```

defines a device of type `pdf` to be saved in the file “myhist.pdf” in the current directory. It will consist of a histogram of 100 normal random numbers. This device remains active until the `dev.off` command closes the device. The default with `pdf` is to save the file in “landscape,” or horizontal mode to fill the

²A package called `xlsx` that can read Excel files directly. The package `foreign` contains functions to read many other types of files created by SAS, SPSS, Stata and others.

page. The argument `horizontal=FALSE` orients the graph vertically, and `height` and `width` to 5 makes the plotting region a five inches by five inches square.

R has many devices available, including `pdf`, `postscript`, `jpeg` and others; see `help(Devices)` for a list of devices, and then, for example, `help(pdf)` for a list of the (many) arguments to the `pdf` command.

0.6.5 Normal, F , t and χ^2 tables

ALR does not include tables for looking up critical values and significance levels for standard distributions like the t , F and χ^2 . These values can be computed with R or Microsoft Excel, or tables are easily found by googling for example `t table`.

Table 1 lists the six commands that are used to compute significance levels and critical values for t , F and χ^2 random variables. For example, to find the significance level for a test with value -2.51 that has a $t(17)$ distribution, type into the text window

```
pt(-2.51,17)
```

```
[1] 0.01124
```

which returns the area to the *left* of the first argument. Thus the lower-tailed p -value is 0.011241, the upper tailed p -value is $1 - .012241 = .98876$, and the two-tailed p -value is $2 \times .011241 = .022482$.

Table 2 shows the functions you need using Excel.

Table 1: Functions for computing p -values and critical values using R. These functions may have additional arguments useful for other purposes.

Function	What it does
<code>qnorm(p)</code>	Returns a value q such that the area to the left of q for a standard normal random variable is p .
<code>pnorm(q)</code>	Returns a value p such that the area to the left of q on a standard normal is p .
<code>qt(p, df)</code>	Returns a value q such that the area to the left of q on a $t(df)$ distribution equals p .
<code>pt(q, df)</code>	Returns p , the area to the left of q for a $t(df)$ distribution
<code>qf(p, df1, df2)</code>	Returns a value q such that the area to the left of q on a $F(df_1, df_2)$ distribution is p . For example, <code>qf(.95, 3, 20)</code> returns the 95% points of the $F(3, 20)$ distribution.
<code>pf(q, df1, df2)</code>	Returns p , the area to the left of q on a $F(df_1, df_2)$ distribution.
<code>qchisq(p, df)</code>	Returns a value q such that the area to the left of q on a $\chi^2(df)$ distribution is p .
<code>pchisq(q, df)</code>	Returns p , the area to the left of q on a $\chi^2(df)$ distribution.

Table 2: Functions for computing p -values and critical values using Microsoft Excel. The definitions for these functions are not consistent, sometimes corresponding to two-tailed tests, sometimes giving upper tails, and sometimes lower tails. Read the definitions carefully. The algorithms used to compute probability functions in Excel are of dubious quality, but for the purpose of determining p -values or critical values, they should be adequate; see [Knüsel \(2005\)](#) for more discussion.

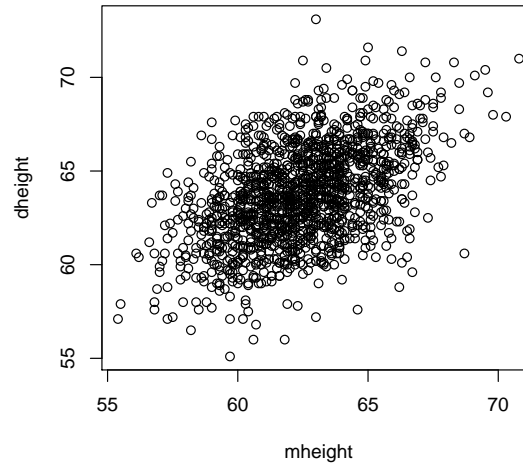
Function	What it does
<code>normsinv(p)</code>	Returns a value q such that the area to the left of q for a standard normal random variable is p .
<code>normsdist(q)</code>	The area to the left of q . For example, <code>normsdist(1.96)</code> equals 0.975 to three decimals.
<code>tinvs(p, df)</code>	Returns a value q such that the area to the left of $- q $ and the area to the right of $+ q $ for a $t(df)$ distribution equals p . This gives the critical value for a two-tailed test.
<code>tdist(q, df, tails)</code>	Returns p , the area to the left of q for a $t(df)$ distribution if <code>tails</code> = 1, and returns the sum of the areas to the left of $- q $ and to the right of $+ q $ if <code>tails</code> = 2, corresponding to a two-tailed test.
<code>finv(p, df1, df2)</code>	Returns a value q such that the area to the <i>right</i> of q on a $F(df_1, df_2)$ distribution is p . For example, <code>finv(.05, 3, 20)</code> returns the 95% point of the $F(3, 20)$ distribution.
<code>fdist(q, df1, df2)</code>	Returns p , the area to the <i>right</i> of q on a $F(df_1, df_2)$ distribution.
<code>chiinv(p, df)</code>	Returns a value q such that the area to the <i>right</i> of q on a $\chi^2(df)$ distribution is p .
<code>chidist(q, df)</code>	Returns p , the area to the <i>right</i> of q on a $\chi^2(df)$ distribution.

1.1 Scatterplots

The `plot` function in R can be used with little fuss to produce pleasing scatterplots that can be used for homework problems and for many other applications. You can get also get fancier graphs using some of `plot`'s many arguments; see COMPANION[CH. 7].

A simple scatterplot as in ALR[F1.1A] is drawn by:

```
library(alr4)
plot(dheight ~ mheight, data=Heights)
```



All the data in the `alr4` are present after you use the `library(alr4)` command. The first argument to the `plot` function is a *formula*, with the vertical or *y*-axis variable to the left of the `~` and the horizontal or *x*-axis variable to the right. The argument `data=Heights` tells R to get the data from the `Heights` data frame.

This same graph can be obtained with other sets of arguments to `plot`:

```
plot(Heights$mheight, Heights$dheight)
```

This does not require naming the data frame as an argument, but does require the full name of the variables to be plotted, including the name of the data frame. Variables or columns of a data frame are specified using the `$` notation in the above example.

```
with(Heights, plot(mheight, dheight))
```

This uses the very helpful `with` function (COMPANION[2.2.2]), to specify the data frame to be used in the the command that followed, in this case the `plot` command.

This plot command does not match ALR[F1.1A] exactly, as the plot in the book included non-standard plotting characters, grid lines, a fixed aspect ratio of 1 and the same tick marks on both axes. The script file for Chapter 1 gives the R commands to draw this plot. COMPANION[CH. 7] describes modification to R plots more generally.

ALR[F1.1B] plots the rounded data:

```
plot(round(dheight) ~ round(mheight), Heights)
```

The figure ALR[F1.2] is obtained from ALR[F1.1A] by deleting most of the points. To draw this plot we need to select points:

```
sel <- with(Heights,
  (57.5 < mheight) & (mheight <= 58.5) |
  (62.5 < mheight) & (mheight <= 63.5) |
  (67.5 < mheight) & (mheight <= 68.5))
```

The result `sel` is a vector of values equal to either `TRUE` and `FALSE`. It is equal to `TRUE` if either $57.5 < mheight \leq 58.5$, or $62.5 < mheight \leq 63.5$ or $67.5 < mheight \leq 68.5$. The vertical bar `|` is the logical “or” operator; type `help("|")` to get the syntax for other logical operators.

We can redraw the figure using

```
plot(dheight ~ mheight, data=Heights, subset=sel)
```

The `subset` argument can be used with many R functions to specify which observations to use. The argument can be (1) a list of `TRUE` and `FALSE`, as it is here, (2) a list of row numbers or row labels, or (3) if the argument were, for example, `subset= -c(2, 5, 22)`, then all observations except row numbers 2, 5, and 22 would be used. Since `!sel` would covert all `TRUE` to `FALSE` and all `FALSE` to `TRUE`, the specification

```
plot(dheight ~ mheight, data=Heights, subset= !sel)
```

would plot all the observations not in the specified ranges.

ALR[F1.3] adds several new features to scatterplots. the `par` function sets graphical parameters,

```
oldpar <- par(mfrow=c(1, 2))
```

meaning that the graphical window will hold an array of graphs with one row and two columns. This choice for the window will be kept until either the graphical window is closed or it is reset using another `par` command. See `?par` for all the graphical parameters (see also COMPANION[7.1.2]).

To draw ALR[F1.3] we need to find the equation of the line to be drawn, and this is done using the `lm` command, the workhorse in R for fitting linear regression models. We will discuss this at much greater length in the next few chapters, but for now we will simply use the function.

```
m0 <- lm(pres ~ bp, data=Forbes)
plot(pres ~ bp, data=Forbes, xlab="Boiling Point (deg. F)",
     ylab="Pressure (in Hg)")
abline(m0)
plot(residuals(m0) ~ bp, Forbes, xlab="Boiling Point (deg. F)",
     ylab="Residuals")
abline(a=0, b=0, lty=2)
par(oldpar)
```

The OLS fit is computed using the `lm` function and assigned the name `m0`. The first `plot` draws the scatterplot of `pres` versus `bp`. We add the regression line with the function `abline`. When the argument to `abline` is the name of a regression model, the function gets the information needed from the model to draw the OLS line. The second use of `plot` draws the second graph, this time of the residuals from model `m0` on the vertical axis versus `bp` on the horizontal axis. A horizontal dashed line is added to this graph by specifying intercept `a` equal to zero and slope `b` equal to zero. The argument `lty=2` specifies a dashed line; `lty=1` would have given a solid line. The last command is unnecessary for drawing the graph, but it returns the value of `mfrow` to its original state.

ALR[F1.5] has two lines added to it, the OLS line and the line joining the mean for each value of `Age`. First we use the `tapply` function (see also COMPANION[8.4]) to compute the mean `Length` for each `Age`,

```
(meanLength <- with(wblake, tapply(Length, Age, mean)))

      1      2      3      4      5      6      7      8
98.34 124.85 152.56 193.80 221.72 252.60 269.87 306.25
```

Unpacking this complex command, (1) `with` is used to tell R to use the variables in the data frame `wblake`; (2) the first argument of `tapply` is the variable of interest, the second argument gives the grouping, and the third is the name of the function to be applied, here the `mean` function. The result is saved as an object called `meanLength`, and because we included parentheses around the whole expression the result is also printed on the screen.

```
plot(Age ~ Length, data=wblake)
abline(lm(Length ~ Age, data=wblake))
lines(1:8, meanLength, lty=2)
```

There are a few new features here. In the call to `abline` the regression was computed within the command, not in advance. The `lines` command adds lines to an existing plot, joining the points specified. The points have horizontal coordinates `1:8`, the integers from one to eight for the `Age` groups, and vertical coordinates given by `meanLength` as just computed.

ALR[F1.7] adds a separate plotting character for each of the groups, and a legend. Here is how this was drawn in R:

```
plot(Gain ~ A, turkey, xlab="Amount (percent of diet)",
     ylab="Weight gain (g)", pch=S)
legend("bottomright", inset=0.02, legend=c("1 Control", "2 New source A",
     "3 New source B"), cex=0.75, lty=1:3, pch=1:3, lwd=c(1, 1.5, 2))
```

`S` is a variable in the data frame with the values 1, 2, or 3, so setting `pch=S` sets the plotting character to be a the plotting characters that are associated with these numbers. Similarly, setting `col=S` will set the color of the plotted points to be different for each of the three groups; try `plot(1:20, pch=1:20, col=1:20)` to see the first 20 plotting characters and colors. The first argument to `legend` sets the location of the legend as the bottom right corner, and the `inset` argument insets the legend by 2%.

The other arguments specify what goes in the legend. The `lwd` argument specifies the width of the lines drawn in the legend.

1.4 Summary Graph

ALR[F1.9] was drawn using the `xyplot` function in the `lattice` package. You could get an almost equivalent plot using

```
oldpar <- par(mfrow=c(2, 2))
xs <- names(anscombe)[1:4]
ys <- names(anscombe)[5:8]
for (i in 1:4){
  plot(anscombe[, xs[i]], anscombe[, ys[i]], xlab=xs[i], ylab=ys[i],
       xlim=c(4,20), ylim=c(2, 16))
  abline(lm( anscombe[, ys[i]] ~ anscombe[, xs[i]]))
}
```

This introduced several new elements: (1) `mfrow=c(2, 2)` specified a 2×2 array of plots; (2) `xs` and `ys` are, respectively, the names of the predictor and their response for each of the four plot; (3) a loop, COMPANION[SEC. 8.3.2], was used to draw each of the plot; (4) columns of the data frame were accessed by their column numbers, or in this case by their column names; (5) labels and limits for the axes are set explicitly.

1.5 Tools for Looking at Scatterplots

ALR[F1.10] adds a smoother to ALR[F1.1A]. R has a wide variety of smoothers available, and all can be added to a scatterplot. Here is how to add a *loess* smooth using the `lowess` function.

```
plot(dheight ~ mheight, Heights, cex=.1, pch=20)
abline(lm(dheight ~ mheight, Heights), lty=1)
with(Heights, lines(lowess(dheight ~ mheight, f=6/10, iter=1), lty=2))
```

The `lowess` function specifies the response and predictor in the same way as `lm`. It also requires a smoothing parameter, which we have set to 0.6. The argument `iter` also controls the behavior of the smoother; we prefer to set `iter=1`, not the default value of 3.

1.6 Scatterplot Matrices

The R function `pairs` draws scatterplot matrices. To reproduce an approximation to ALR[F1.11], we must first transform the data to get the variables that are to be plotted, and then draw the plot.

```
names(fuel2001)

[1] "Drivers" "FuelC"   "Income"  "Miles"   "MPC"     "Pop"     "Tax"

fuel2001 <- transform(fuel2001,
                      Dlic=1000 * Drivers/Pop,
                      Fuel=1000 * FuelC/Pop,
                      Income = Income/1000)
names(fuel2001)

[1] "Drivers" "FuelC"   "Income"  "Miles"   "MPC"     "Pop"     "Tax"
[8] "Dlic"    "Fuel"
```

We used the `transform` function to add the transformed variables to the data frame. Variables that reuse existing names, like `Income`, overwrite the existing variable. Variables with new names, like `Dlic`, are new columns added to the right of the data frame. The syntax for the transformations is similar to the language C. The variable `Dlic = 1000 × Drivers/Pop` is the fraction of the population that has a driver's license times 1000. We could have alternatively computed the transformations one at a time, for example

```
fuel2001$FuelPerDriver <- fuel2001$FuelC / fuel2001$Drivers
```


Typing `names(f)` gives variable names in the order they appear in the data frame.

The `pairs` function draws scatterplot matrices:

```
pairs(~ Tax + Dlic + Income + log(Miles) + Fuel, data=fuel2001)
```

We specify the variables we want to appear in the plot using a one-sided formula, which consists of a “~” followed by the variable names separated by + signs. The advantage of the one-sided formula is that we can transform variables “on the fly” in the command, as we have done here using `log(Miles)` rather than `Miles`.

In the `pairs` command you could replace the formula with a matrix or data frame, so

```
pairs(fuel2001[, c(7, 9, 3, 6)])
```

would give the scatterplot matrix for columns 7, 9, 3, 6 of the data frame `fuel2001`.

The function `scatterplotMatrix` in the `car` package provides a more elaborate version of scatterplot matrices. The help page `?scatterplotMatrix`, or `COMPANION[3.3.2]`, can provide information.

1.7 Problems

1.1 R lets you plot transformed data without saving the transformed values:

```
plot(log(fertility) ~ log(ppgdp), UN11)
```

1.2 For the smallmouth bass data, you will need to compute the mean and sd of `Length` and sample size for each value of `Age`. You can use `tapply` command three times for this, along with the `mean`, `sd` and `length` functions.

1.3 Use your mouse to change the aspect ratio in a plot by changing the shape of the plot’s window.

CHAPTER 2

Simple Linear Regression

Most of ALR[CH. 2] fits simple linear regression from a few summary statistics, and we show how to do that using R below. While this is useful for understanding how simple regression works, in practice a higher-level function will be used to fit regression models. In R, this is the function `lm` (see also COMPANION[CH. 4]).

For the `Forbes` data used in the chapter, the simple regression model can be fit using

```
m1 <- lm(lpres ~ bp, data=Forbes)
```

The first argument to `lm` is a **formula**. Here `lpres ~ bp` uses the name on the left of the `~` as the response and the name or names to the right as predictors. The `data` argument tells R where to find the data. Because of the assignment `<-` the result of this command is assigned the value `m1`, but nothing is printed. If you print this object, you get the coefficient estimates:

```
m1
```

```
Call:
```

```
lm(formula = lpres ~ bp, data = Forbes)
```

```
Coefficients:
```

```
(Intercept)          bp
   -42.138         0.895
```

The `summary` method applied to the regression object gives more complete information:

```
summary(m1)
```

```
Call:
```

```
lm(formula = lpres ~ bp, data = Forbes)
```

```
Residuals:
```

```
      Min       1Q   Median       3Q      Max
-0.3222 -0.1447 -0.0666  0.0218  1.3598
```

```
Coefficients:
```

```
              Estimate Std. Error t value Pr(>|t|)
(Intercept) -42.1378     3.3402  -12.6  2.2e-09
bp           0.8955     0.0165   54.4 < 2e-16
```

```
Residual standard error: 0.379 on 15 degrees of freedom
```

```
Multiple R-squared:  0.995,    Adjusted R-squared:  0.995
```

```
F-statistic: 2.96e+03 on 1 and 15 DF,  p-value: <2e-16
```

This output provides a summary of the size of the residuals that I have never found helpful. All the other output is described in this chapter of ALR except the Adjusted R-squared, which differs from R^2

by a function of the sample size, and the **F-statistic**, which is discussed in Chapter 6. The **Residual standard error** is $\hat{\sigma}$.

The object `m1` created above includes many other quantities you may find useful:

```
names(m1)
```

```
[1] "coefficients" "residuals"      "effects"         "rank"
[5] "fitted.values" "assign"          "qr"              "df.residual"
[9] "xlevels"      "call"           "terms"           "model"
```

Some of these are pretty obvious, like

```
m1$coefficients
```

```
(Intercept)          bp
   -42.1378         0.8955
```

but others are perhaps more obscure. The help page `help(lm)` provides more information. Similarly, you can save the output from `summary` as an object:

```
s1 <- summary(m1)
```

```
names(s1)
```

```
[1] "call"          "terms"         "residuals"     "coefficients"
[5] "aliased"       "sigma"         "df"             "r.squared"
[9] "adj.r.squared" "fstatistic"   "cov.unscaled"
```

Some of these are obvious, such as `s1$r.squared`, and others not so obvious; print them to see what they are!

2.2 Least Squares Criterion

All the sample computations shown in ALR are easily reproduced in R. First, get the right variables from the data frame, and compute means.

```
Forbes1 <- Forbes[, c(1, 3)] # select columns 1 and 3
print(fmeans <- colMeans(Forbes1))

      bp lpres
203.0 139.6
```

The `colMeans` function computes the mean of each column of a matrix or data frame; the `rowMeans` function does the same for row means.

Next, we need the sums of squares and cross-products, and R provides several tools for this. Since the sample covariance matrix is just $(n - 1)$ times the matrix of sums of squares and cross-products, we can use the function `cov`:

```
(fcov <- (17 - 1) * cov(Forbes1))

      bp lpres
bp    530.8 475.3
lpres 475.3 427.8
```

Alternatively, the function `scale` can be used to subtract the mean from each column of a matrix or data frame, and then `crossprod` can be used to get the cross-product matrix:

```
crossprod(scale(Forbes1, center=TRUE, scale=FALSE))

      bp lpres
bp    530.8 475.3
lpres 475.3 427.8
```

All the regression summaries depend only on the sample means and on the sample sums of squares `fcov` just computed. Assign names to the components to match the discussion in ALR, and do the computations:

```
xbar <- fmeans[1]
ybar <- fmeans[2]
SXX <- fcov[1,1]
SXY <- fcov[1,2]
SYY <- fcov[2,2]
betahat1 <- SXY/SXX
betahat0 <- ybar - betahat1 * xbar
print(c(betahat0 = betahat0, betahat1 = betahat1),
      digits = 4)
```

```
betahat0.lpres      betahat1
      -42.1378         0.8955
```

The `collect` function `c` was used to collect the output into a vector for nice printing. Compare to the estimates from `lm` given previously.

2.3 Estimating the Variance σ^2

We can use the summary statistics computed previously to get the RSS and the estimate of σ^2 :

```
RSS <- SYY - SXY^2/SXX
sigmahat2 <- RSS/15
sigmahat <- sqrt(sigmahat2)
c(RSS=RSS, sigmahat2=sigmahat2, sigmahat=sigmahat)
```

```
      RSS sigmahat2 sigmahat
2.1549    0.1437    0.3790
```

Using the regression object:

```
c(RSS = m1$df.residual * sigmaHat(m1)^2,
  sigmathat2= sigmaHat(m1)^2,
  sigmaHat = sigmaHat(m1))
```

```
      RSS sigmathat2  sigmaHat
2.1549    0.1437    0.3790
```

The `sigmaHat` is a helper function is in the `car` package. It takes a regression object as its argument, and returns $\hat{\sigma}$.

2.5 Estimated Variances

The standard errors of coefficient estimates can be computed from the fundamental quantities already given. The helper function `vcov` provides the variances and covariances of the estimated coefficients,

```
vcov(m1)

      (Intercept)          bp
(Intercept)  11.15693 -0.0549313
bp           -0.05493  0.0002707
```

The diagonal elements are equal to the squared standard errors of the coefficient estimates and the off-diagonal elements are the covariances between the coefficient estimates. You can turn this or any covariance matrix into a correlation matrix:

```
cov2cor(vcov(m1))

      (Intercept)          bp
(Intercept)  1.0000 -0.9996
bp           -0.9996  1.0000
```

This is the matrix of correlations between the estimates.

You can also extract the standard errors from the `vcov` output, but the method is rather obscure:

```
(ses <- sqrt(diag(vcov(m1))))
```

```
(Intercept)          bp
    3.34020      0.01645
```

This used the `sqrt` function for square roots and the `diag` function to extract the diagonal elements of a matrix. The result is a vector, in this case of length 2.

2.6 Confidence Intervals and t -Tests

Confidence intervals and tests can be computed using the formulas in ALR[2.6], in much the same way as the previous computations were done.

To use `lm` we need the estimates and their standard errors `ses` previously computed. The last item we need to compute confidence intervals is the correct multiplier from the t distribution. For a 95% interval, the multiplier is

```
(tval <- qt(1-.05/2, m1$df))
```

```
[1] 2.131
```

The `qt` command computes quantiles of the t -distribution; similar functions are available for the normal (`qnorm`), F (`qf`), and other distributions; see Section 0.6.5. The function `qt` finds the value `tval` so that the area to the left of `tval` is equal to the first argument to the function. The second argument is the degrees of freedom, which can be obtained from `m1` as shown above.

Finally, the confidence intervals for the two estimates are:

```
betahat <- c(betahat0, betahat1)
data.frame(Est = betahat,
           lower=betahat - tval * ses,
           upper=betahat + tval * ses)
```



```

      Est      lower      upper
lpres -42.1378 -49.2572 -35.0183
      0.8955    0.8604    0.9306

```

By creating a data frame, the values get printed in a nice table.

R includes a function called `confint` that computes the confidence intervals for you, and

```

confint(m1, level=.95)

              2.5 %    97.5 %
(Intercept) -49.2572 -35.0183
bp           0.8604    0.9306

```

gives the same answer computed above. The `confint` function works with many other models in R, and is the preferred way to compute confidence intervals. For other than linear regression, it uses a more sophisticated method for computing confidence intervals.

Getting tests rather than intervals is similar.

2.7 The Coefficient of Determination, R^2

For simple regression R^2 is just the square of the correlation between the predictor and the response. It can be computed as in ALR, or using the `cor` function,

```

SSreg <- SYY - RSS
print(R2 <- SSreg/SYY)

[1] 0.995

cor(Forbes1)

      bp  lpres
bp    1.0000 0.9975
lpres 0.9975 1.0000

```

and $0.99747817^2 = 0.9949627$.

Prediction and Fitted Values

Predictions and fitted values can be fairly easily computed given the estimates of the coefficients. For example, predictions at the original values of the predictor are given by

```
betahat0 + betahat1 * Forbes$bp

[1] 132.0 131.9 135.1 135.5 136.4 136.9 137.8 137.9 138.2 138.1 140.2 141.1
[13] 145.5 144.7 146.5 147.6 147.9
```

The `predict` command is a very powerful helper function for getting fitted and predictions from a model fit with `lm`, or, indeed, most other models in R. Here are the important arguments¹:

```
predict(object, newdata, se.fit = FALSE,
        interval = c("none", "confidence", "prediction"),
        level = 0.95)
```

The `object` argument is the name of the regression model that has already been computed. The `newdata` argument is a data frame of values for which you want predictions or fitted values; if omitted the default is the data used to fit the model. The `interval` argument specifies the type of interval you want to compute. Three values are shown and any other value for this argument will produce an error. The default is `"none"`, the first option shown. The level of the intervals will be 95% unless the `level` argument is changed.

In the simplest case, we have

```
predict(m1)
```

¹You can see all the arguments by typing `args(predict.lm)`.

1	2	3	4	5	6	7	8	9	10	11	12	13
132.0	131.9	135.1	135.5	136.4	136.9	137.8	137.9	138.2	138.1	140.2	141.1	145.5
14	15	16	17									
144.7	146.5	147.6	147.9									

returning the fitted values (or predictions) for each observation. If you want predictions for particular values, say `bp = 210` and `220`, use the command

```
predict(m1, newdata=data.frame(bp=c(210,220)),
        interval="prediction", level=.95)

      fit   lwr   upr
1 145.9 145.0 146.8
2 154.9 153.8 155.9
```

The `newdata` argument is a powerful tool in using the `predict` command, as it allows computing predictions at arbitrary points. The argument must be a data frame, with variables having the same names as the variables used in the `mean` function. For the Forbes data, the only term beyond the intercept is for `bp`, and so only values for `bp` must be provided. The argument `intervals="prediction"` gives prediction intervals at the specified level in addition to the point predictions; other intervals are possible, such as for fitted values; see `help(predict.lm)` for more information.

Additional arguments to `predict` will compute additional quantities. For example, `se.fit` will also return the standard errors of the fitted values (not the standard error of prediction). For example,

```
predvals <- predict(m1, newdata=data.frame(bp=c(210, 220)),
                    se.fit=TRUE)

predvals

$fit
  1    2
145.9 154.9
```

```
$se.fit
      1      2
0.1480 0.2951
```

```
$df
[1] 15
```

```
$residual.scale
[1] 0.379
```

The result `predvals` is a list (COMPANION[2.3.3]). You could get a more compact representation by typing

```
as.data.frame(predvals)

      fit se.fit df residual.scale
1 145.9 0.1480 15          0.379
2 154.9 0.2951 15          0.379
```

You can do computations with these values. For example,

```
(150 - predvals$fit)/predvals$se.fit

      1      2
27.6 -16.5
```

computes the difference between 150 and the fitted values, and then divides each by its standard error of the fitted value. The `predict` helper function does not compute the standard error of prediction, but you can compute it using equation ALR[E2.26],

```
se.pred <- sqrt(predvals$residual.scale^2 + predvals$se.fit^2)
```

2.8 The Residuals

The command `residuals` computes the residuals for a model. A plot of residuals versus fitted values with a horizontal line at 0 on the vertical axis is given by

```
plot(predict(m1), residuals(m1))
abline(h=0,lty=2)
```

We will have more elaborate uses of `residuals` later in the *Primer*. If you apply the `plot` helper function to the regression model `m1` by typing `plot(m1)`, you will also get the plot of residuals versus fitted values, along with a few other plots that are not discussed in ALR. Finally, the `car` function `residualPlots` can also be used:

```
residualPlots(m1)
```

We will discuss this last function in Chapter 9 of this primer.

2.9 Problems

2.1 The point of this problem is to get you to fit a regression “by hand”, basically by using R as a graphing calculator. For 2.1.1, use the `plot` function. For 2.1.2, you can compute the summary statistics and the estimates as described earlier in primer. You can the the fitted line to your plot using the `abline` function. For 2.1.3, compute the statistics using the formulas, and compare to the values from the output of `lm` for these data.

2.4 Use the `abline` to add lines to a plot. An easy way to identify points in a plot is to use the `identify` command:

```
plot(bigmac2009 ~ bigmac2003, UBSprices)
identify(UBSprices$bigmac2003, UBSprices$bigmac2009, rownames(UBSprices))
```

You can then click on the plot, and the label of the nearest point will be added to the plot. **To stop identifying, either click the right mouse button and select “Stop”, or select “Stop” from the plot’s menu.**

2.7 You can add a new variable `u1` to the data set:

```
Forbes$u1 <- 1/( (5/9)*Forbes$bp + 255.37)
```

For 2.7.4 you need to fit the *same* model to both the `Forbes` and `Hooker` data sets. You can then use the `predict` command to get the predictions for Hooker’s data from the fit to Forbes’ data, and *vice versa*.

2.10 In the `cathedral` data file for Problem 2.10.6 the variable `Type` is a text variable. You can turn a text variable into a numeric variable with values 1 and 2 using

```
cathedral$group <- as.numeric(cathedral$Type)
```

If you want a variable of 0s and 1s, use

```
cathedral$group <- as.numeric(cathedral$Type) - 1
```

To do the problem you need to delete the last 7 rows of the file. Find out how many rows there are:

```
dim(cathedral)
```

```
[1] 25  4
```

and then delete the last 7:

```
cathedral1 <- cathedral[-(19:25), ]
```

Here `(19:25)` generates the integers from 19 to 25, and the minus sign tells R to remove these rows. Specific columns, the second subscript, are not given, so the default is to use all the columns.

2.14 Use the `sample` function to to get the construction sample:

```
construction.sample <- sample(1:dim(Heights)[1], floor(dim(Heights)[1]/3))
```

This will choose the rows to be in the construction sample. Then, fit

```
m1 <- lm(dheight ~ mheight, Heights, subset=construction.sample)
```

You can get predictions for the remaining (validation) sample, like this:

```
predict(m1, newdata = Heights[-construction.sample,])
```

2.17 The formula for regression through the origin explicitly removes the intercept, $y \sim x - 1$.

3.1 Adding a Term to a Simple Linear Regression Model

The added-variable plots show what happens when we add a second regressor to a simple regression model. Here are the steps. First, fit the regression of the response on the first regressor, and keep the residuals:

```
m1 <- lm(lifeExpF ~ log(ppgdp), UN11)
r1 <- residuals(m1)
```

`r1` is the part of the response not explained by the first regressor.

Next, fit the regression of the second regressor on the first regressor and keep these residuals:


```
m2 <- lm(fertility ~ log(ppgdp), UN11)
r2 <- residuals(m2)
```

`r2` is the part of the second regressor that is not explained by the first regressor.

The added variable plot is `r1` versus `r2`. The regression associated with the added variable plot:

```
m4 <- lm(resid(m1) ~ resid(m2))
```

has intercept 0, slope equal to the slope for the second regressor in the regression with two regressors, and the other properties described in ALR. The `resid` function is the same as the `residuals` function.

3.1.1 Explaining Variability

3.1.2 Added-Variable Plots

The `avPlots` function in the `car` package can be used to draw added-variable plots. Introducing this function here is a little awkward because it requires fitting a regression model first, a topic covered later in this chapter.

```
library(alr4)
m3 <- lm(lifeExpF ~ log(ppgdp) + fertility, data=UN11)
avPlots(m3, id.n=0)
```

The first command loads the `alr4` package, which in turn loads the `car`. The next command sets up the linear regression model using `lm`; the only new feature is the formula has two terms on the right rather than one. The `avPlots` function in the `car` package takes the regression model as its first argument. The default of the function is to display the added-variable plot for each variable on the right side of the formula, so we get two plots here. The argument `id.n=0` is used to suppress *point labeling*. By default `avPlots` will label several extreme points in the plot using row labels. In these plots they are rather distracting because the country names are long relative to the size of the graph.

Added-variable plots are discussed in COMPANION[6.2.3]. Point labeling is discussed in COMPANION[3.5].

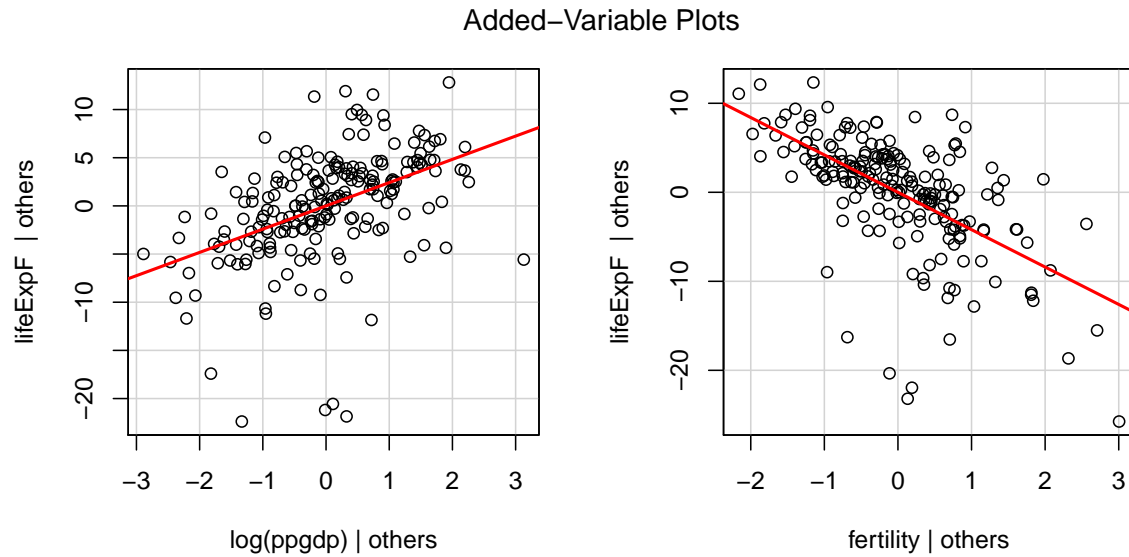


Figure 3.1: Added-variable plots for each of the two regressors in the regression of `lifeExpF` on `log(PPgdp)` and `fertility`.

3.2 The Multiple Linear Regression Model

3.3 Regressors and Predictors

All of the types of regressors created from predictors described in ALR are easy to create and use in R. For now we discuss only a few of them:

Transformations of predictors Often you can create a transformation in a fitted model without actually adding the transformed values to a data file. For example, if you have a data frame called `mydata` with variables `y`, `x1` and `x2`, you can compute the regression with terms `x1` and `log(x2)` by either of the following:

```
m1 <- lm(y ~ x1 + log(x2), mydata)
mydata <- transform(mydata, logx2=log(x2))
m2 <- lm(y ~ x1 + logx2, mydata)
```

The first form is preferable because R will recognize the `x2` as the predictor rather than `logx2` as the predictor. The `transform` function added the transformed value to `mydata`. If you want to use the `1/y` as the response, you could fit

```
m3 <- lm(I(1/y) ~ x1 + log(x2), mydata)
```

The identity function `I` forces the evaluation of its contents using usual arithmetic, rather than treating the slash `/` using its special meaning in formulas.

Polynomials can be formed using the `I` function:

```
m4 <- lm(y ~ x1 + I(x1^2) + I(x1^3), mydata)
```

Even better is to use the `poly` function:

```
m4 <- lm(y ~ poly(x1, 3, raw=TRUE), mydata)
```

If you don't set `raw=TRUE` the `poly` function creates *orthogonal polynomials* with superior numerical properties, ALR[5.3].

Table 3.1 in ALR[3.3] gives the “usual” summary statistics for each of the interesting terms in a data frame. Oddly enough, the writers of R don't seem to think these are the standard summaries. Here is what you get from R:

```
fuel2001 <- transform(fuel2001,
  Dlic=1000 * Drivers/Pop,
  Fuel=1000 * FuelC/Pop,
  Income = Income,
  logMiles = log(Miles))
f <- fuel2001[,c(7, 8, 3, 10, 9)] # new data frame
summary(f)
```

	Tax	Dlic	Income	logMiles	Fuel
Min.	: 7.5	Min. : 700	Min. :20993	Min. : 7.34	Min. :318
1st Qu.:	18.0	1st Qu.: 864	1st Qu.:25323	1st Qu.:10.51	1st Qu.:575
Median :	20.0	Median : 909	Median :27871	Median :11.28	Median :626
Mean :	20.2	Mean : 904	Mean :28404	Mean :10.91	Mean :613
3rd Qu.:	23.2	3rd Qu.: 943	3rd Qu.:31208	3rd Qu.:11.63	3rd Qu.:667
Max. :	29.0	Max. :1075	Max. :40640	Max. :12.61	Max. :843

We created a new data frame `f` using only the variables of interest. Rather than giving the standard deviation for each variable, the `summary` command provides first and third quartiles. You can get the standard deviations easily enough, using

```
apply(f, 2, sd)
```

	Tax	Dlic	Income	logMiles	Fuel
	4.545	72.858	4451.637	1.031	88.960

The `apply` function tells the program to apply the third argument, the `sd` function, to the second dimension, or columns, of the matrix or data frame given by the first argument. We are not the first to wonder why R doesn't compute SDs in the `summary` command. The `psych` package, which you would need to install from CRAN, contains a function called `describe` that will compute the usual summary statistics and some unusual ones too!

3.4 Ordinary Least Squares

Sample correlations, `ALR[T3.2]`, are computed using the `cor` command,

```
round(cor(f), 4)

           Tax      Dlic  Income logMiles      Fuel
Tax      1.0000 -0.0858 -0.0107 -0.0437 -0.2594
Dlic     -0.0858  1.0000 -0.1760  0.0306  0.4685
Income   -0.0107 -0.1760  1.0000 -0.2959 -0.4644
logMiles -0.0437  0.0306 -0.2959  1.0000  0.4220
Fuel     -0.2594  0.4685 -0.4644  0.4220  1.0000
```

The sample covariance matrix is computed using either `var` or `cov`, so

```
cov(f)

           Tax      Dlic      Income  logMiles      Fuel
Tax      20.6546   -28.425   -216.2     -0.2048   -104.89
Dlic     -28.4247  5308.259  -57070.5    2.2968   3036.59
Income   -216.1725 -57070.454 19817074.0 -1357.2076 -183912.57
logMiles -0.2048    2.297   -1357.2     1.0620    38.69
Fuel     -104.8944  3036.591  -183912.6   38.6895   7913.88
```

We will compute the matrix $(\mathbf{X}'\mathbf{X})^{-1}$. To start we need the matrix \mathbf{X} , which has 51 rows, one column for each regressor, and one column for the intercept. Here are the computations:

```
f$Intercept <- rep(1, 51) # a column of ones added to f
X <- as.matrix(f[, c(6, 1, 2, 3, 4)]) # reorder and drop fuel
xtx <- t(X) %*% X
xtxinvs <- solve(xtx)
xty <- t(X) %*% f$Fuel
print(xtxinvs, digits=4)
```

	Intercept	Tax	Dlic	Income	logMiles
Intercept	9.022e+00	-2.852e-02	-4.080e-03	-5.981e-05	-2.787e-01
Tax	-2.852e-02	9.788e-04	5.599e-06	4.263e-08	2.312e-04
Dlic	-4.080e-03	5.599e-06	3.922e-06	1.189e-08	7.793e-06
Income	-5.981e-05	4.263e-08	1.189e-08	1.143e-09	1.443e-06
logMiles	-2.787e-01	2.312e-04	7.793e-06	1.443e-06	2.071e-02

The first line added a column to the `f` data frame that consists of 51 copies of the number 1. The function `as.matrix` converted the reordered data frame into a matrix \mathbf{X} . The next line computed $\mathbf{X}'\mathbf{X}$, using the function `t` to get the transpose of a matrix, and `%*%` for matrix multiply. The `solve` function returns the inverse of its argument; it is also used to solve linear equations if the function has two arguments.

The estimates and other regression summaries can be computed, based on these sufficient statistics:

```
xty <- t(X) %*% f$Fuel
betahat <- xtxinvs %*% xty
betahat

      [,1]
Intercept 154.192845
Tax       -4.227983
Dlic       0.471871
Income    -0.006135
logMiles  26.755176
```

As with simple regression the function `lm` is used to automate the fitting of a multiple linear regression mean function. The only difference between the simple and multiple regression is the formula:

```
m1 <- lm(formula = Fuel ~ Tax + Dlic + Income + logMiles,
         data = f)
summary(m1)
```

Call:

```
lm(formula = Fuel ~ Tax + Dlic + Income + logMiles, data = f)
```

Residuals:

Min	1Q	Median	3Q	Max
-163.14	-33.04	5.89	31.99	183.50

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	154.19284	194.90616	0.79	0.43294
Tax	-4.22798	2.03012	-2.08	0.04287
Dlic	0.47187	0.12851	3.67	0.00063
Income	-0.00614	0.00219	-2.80	0.00751
logMiles	26.75518	9.33737	2.87	0.00626

Residual standard error: 64.9 on 46 degrees of freedom

Multiple R-squared: 0.51, Adjusted R-squared: 0.468

F-statistic: 12 on 4 and 46 DF, p-value: 9.33e-07

3.5 Predictions, Fitted Values and Linear Combinations

Predictions and fitted values for multiple regression use the `predict` command, just as for simple linear regression. If you want predictions for new data, you must specify values for *all* the terms in the mean

function, apart from the intercept, so for example,

```
predict(m1, newdata=data.frame(  
  Tax=c(20, 35), Dlic=c(909, 943), Income=c(16.3, 16.8),  
  logMiles=c(15, 17)))
```

```
      1      2  
899.8 905.9
```

will produce two predictions of future values for the values of the regressors indicated.

3.6 Problems

For these problems you will mostly be working with added-variable plots, outlined earlier, and working with the `lm` function to do OLS fitting. The helper functions `predict` get predictions, `residuals` get the residuals, and `confint` compute confidence intervals for coefficient estimates.

4.1 Understanding Parameter Estimates

4.1.1 Rate of Change

ALR[F4.1] is an example of an *effects plot*, used extensively in ALR to help visualize the role of individual regressors in a fitted model. The idea is particularly simple when all the regressors in a regression equation are predictors:

1. Get a fitted model like

$$\hat{y} = \hat{\beta}_0 + \hat{\beta}_1 x_1 + \hat{\beta}_2 x_2 + \cdots + \hat{\beta}_p x_p$$

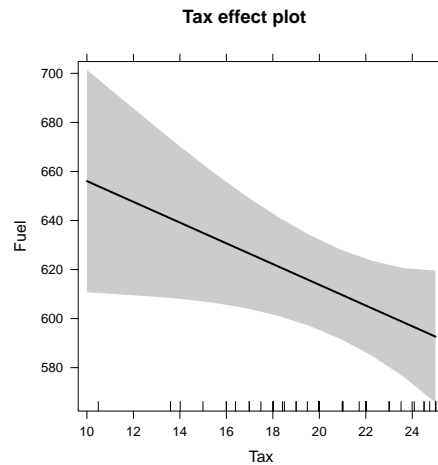
2. The effects plot for the first predictor X_1 has X_1 on its horizontal axis, and its vertical axis is given by

$$\hat{\beta}_0 + \hat{\beta}_1 x_1 + \hat{\beta}_2 \bar{x}_2 + \cdots + \hat{\beta}_p \bar{x}_p$$

All predictors except for X_1 are fixed at their sample means.

The `effects` package in R draws effects plots. This package is automatically loaded by the `library(alr4)` command. The plot shown in ALR[F4.1] can be drawn as

```
fuel2001$Dlic <- 1000*fuel2001$Drivers/fuel2001$Pop
fuel2001$Fuel <- 1000*fuel2001$FuelC/fuel2001$Pop
fuel2001$Income <- fuel2001$Income/1000
fuel1 <- lm(formula = Fuel ~ Tax + Dlic + Income + log(Miles),
            data = fuel2001)
plot(Effect("Tax", fuel1))
```



The first three lines above create the data set, the next line fits the regression model, and the next line draws the plot. First, the `Effect` method is called with the name of the predictor of interest in quotes, here "Tax", and then the name of the regression model, here `fuel1`. The output from this function is then input to the `plot` command, which is written to work with the output from `Effect`¹. The curved shaded area on the plot displays pointwise 95% confidence intervals.

4.1.3 Interpretation Depends on Other Terms in the Mean Function

In ALR[T4.1], Model 3 is overparameterized. R will print the missing value symbol `NA` for regressors that are linear combinations of the regressors already fit in the mean function, so they are easy to identify from the printed output.

```
BGSgirls$DW9 <- BGSgirls$WT9-BGSgirls$WT2
BGSgirls$DW18 <- BGSgirls$WT18-BGSgirls$WT9
BGSgirls$DW218 <- BGSgirls$WT18-BGSgirls$WT2
m1 <- lm(BMI18 ~ WT2 + WT9 + WT18 + DW9 + DW18, BGSgirls)
m2 <- lm(BMI18 ~ WT2 + DW9 + DW18 + WT9 + WT18, BGSgirls)
m3 <- lm(BMI18 ~ WT2 + WT9 + WT18 + DW9 + DW18, BGSgirls)
summary(m3)
```

Call:

```
lm(formula = BMI18 ~ WT2 + WT9 + WT18 + DW9 + DW18, data = BGSgirls)
```

Residuals:

Min	1Q	Median	3Q	Max
-3.104	-0.743	-0.124	0.832	4.348

¹The `effects` package contains three functions names `effect`, `Effect`, and `allEffects` that all do basically the same thing, but with somewhat different syntax. The function `Effect` with a capital E is the easiest to use and is discussed here, the others are discussed on the help page `?Effect`.

Coefficients: (2 not defined because of singularities)

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	8.3098	1.6552	5.02	4.2e-06
WT2	-0.3866	0.1515	-2.55	0.013
WT9	0.0314	0.0494	0.64	0.527
WT18	0.2874	0.0260	11.04	< 2e-16
DW9	NA	NA	NA	NA
DW18	NA	NA	NA	NA

Residual standard error: 1.33 on 66 degrees of freedom

Multiple R-squared: 0.777, Adjusted R-squared: 0.767

F-statistic: 76.7 on 3 and 66 DF, p-value: <2e-16

`car` has a function for comparing the regression coefficient estimates from different models:

```
compareCoefs(m1, m2, m3, se=TRUE)
```

Call:

```
1:"lm(formula = BMI18 ~ WT2 + WT9 + WT18 + DW9 + DW18, data = BGSgirls)"
```

```
2:"lm(formula = BMI18 ~ WT2 + DW9 + DW18 + WT9 + WT18, data = BGSgirls)"
```

```
3:"lm(formula = BMI18 ~ WT2 + WT9 + WT18 + DW9 + DW18, data = BGSgirls)"
```

	Est. 1	SE 1	Est. 2	SE 2	Est. 3	SE 3
(Intercept)	8.3098	1.6552	8.3098	1.6552	8.3098	1.6552
WT2	-0.3866	0.1515	-0.0678	0.1275	-0.3866	0.1515
WT9	0.0314	0.0494			0.0314	0.0494
WT18	0.2874	0.0260			0.2874	0.0260
DW9			0.3189	0.0386		
DW18			0.2874	0.0260		

It shows a blanks for coefficients not estimated. You can suppress the standard errors by using `se=FALSE`.

If you are using the output of a regression as the input to some other computation, you may want to check to see if the model was overparameterized or not. If you have fit a model called, for example, `m2`,

then the value of `m2$rank` will be the number of regressors actually fit in the mean function, *including the intercept, if any*. It is also possible to determine which of the regressors specified in the mean function were actually fit, but the command for this is obscure:

```
> m2$qr$pivot[1:m2$qr$rank]
```

will return the indices of the regressors, starting with the intercept, that were estimated in fitting the model.

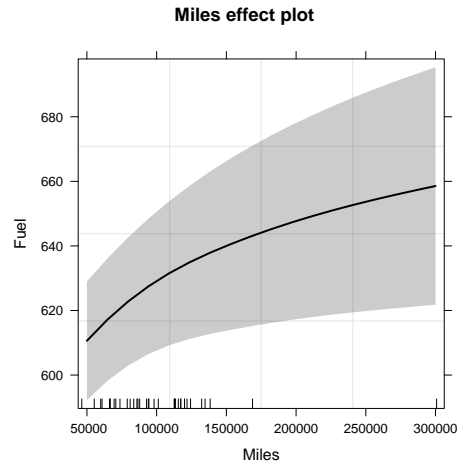
4.1.5 Colinearity

For a set of regressors with observed values given by the columns of \mathbf{X} , we diagnose colinearity if the square of the multiple correlation between one of the columns, say X_1 and the remaining columns, say \mathbf{X}_2 , R_{X_1, \mathbf{X}_2}^2 , is large enough. A *variance inflation factor* is defined as $v = 1/(1 - R_{X_1, \mathbf{X}_2}^2)$, and these values are more often available in computer packages, including the `vif` command in the `car` package. If v is a variance inflation factor, then $(v - 1)/v$ is the corresponding value of the squared multiple correlation.

4.1.6 Regressors in Logarithmic Scale

Effects plots should ordinarily be drawn using predictors, not the regressors created from them. An example is `ALR[F4.4B]`, drawn with the simple command

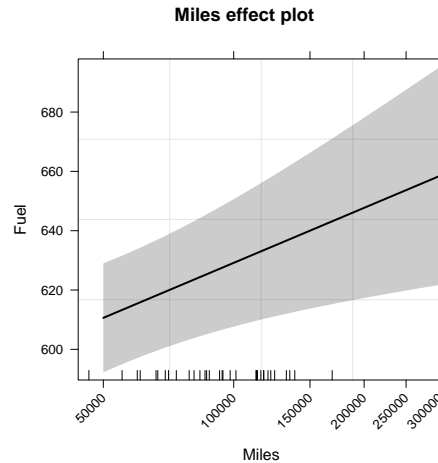
```
plot(Effect("Miles", fuel1), grid=TRUE, rug=TRUE)
```



We get a curve because the horizontal axis is the predictor, not its logarithm. The `plot` function arguments `grid` add grid lines, and `rug=TRUE` adds a “rug plot” which indicates where the observed values of `Miles` fall on the horizontal axis.

Producing a slightly more complicated version of `ALR[F4.3A]`, which uses the regressor and not the predictor, is

```
plot(Effect("Miles", fuel1),
     transform.x=list(Miles=c(trans=log, inverse=exp)),
     ticks.x=list(at=round(exp(7:13))), grid=TRUE, rotx=45)
```



The call to `Effect` is the same, but additional arguments are needed in the call to `plot`: `transform.x` tells to transform `Miles` on the horizontal axis to its logarithm; you must also specify the inverse of the log-function. Finally, you need to tell the function where to draw the tick marks. Since `log(Miles)` is between about 7 and 13, the ticks are found by exponentiating these values and then rounding them. The argument `rotx=45` rotates the labels on the horizontal axis by 45 degrees so the numbers do not overlap. See `?plot.eff` to see all the arguments.

4.6 Problems

4.1 To compute transformed values for this problem and the next problem, you can use statements like this:

```
BGSgirls$ave <- with(BGSgirls, (WT9 + WT9 + WT18)/3)
```

4.11 4.11.1 To generate 100 standard normal random deviates:

```
x <- rnorm(100)
```

To generate deviates with mean $\mu = 5$ and standard deviation $\sigma = 3$,

```
x <- 5 + 3 * rnorm(100)
```

4.11.4 To fit a linear model excluding all cases with $|x| < 2/3$:

```
m1 <- lm(y ~ x, subset = abs(x) > 2/3)
```

To fit to only these cases, use

```
m2 <- update(m1, subset = !(abs(x) > 2/3))
```

The exclamation point is the same as “not”.

5.1 Factors

A factor is a qualitative variable with say a levels or groups. It will generally be represented by $a - 1$ dummy variables. In models with no intercept, a dummy variables may be required. In ALR[5.1.1] the dummy variables are defined using the following rules:

1. If a factor A has a levels, create a dummy variables U_1, \dots, U_a , such that U_j has the value one when the level of A is j , and value zero everywhere else.
2. Obtain a set of $a - 1$ dummy variables to represent factor A by dropping one of the dummy variables. Using the default coding in **R**, the first dummy variable U_1 is dropped, while in **SAS**

and SPSS and STATA the last dummy variable is dropped.

Most of the discussion in ALR assumes the R default for defining dummy variables. To complicate matters further other codings for the dummy variables are possible, but are not generally used by statistical packages. R has a facility to change the coding to be anything you want (see also COMPANION[4.6]).

The `factor` command is used to convert a numeric variable or a vector of character strings into a factor. The command with all its arguments is

```
args(factor)

function (x = character(), levels, labels = levels, exclude = NA,
         ordered = is.ordered(x), nmax = NA)
NULL
```

The argument `x` is the name of the variable to be turned into a factor, and is the only required argument. The argument `levels` is a vector of the names of the levels of `x`; if you don't specify the levels, then the program will use all the unique values of `x`, *sorted in alphabetical order*. Thus you will want to use the `levels` argument if the levels of a factor are, for example, “Low”, “Medium” and “High” because by default `factor` will reorder them as “High,” “Low” and “Medium.” You can avoid this by setting `levels=c("Low","Medium","High")`. The next optional argument `labels` allows you to change the labels for the levels, so, for example, if the levels of the factor are 1, 2 and 3, you can change them with the argument `labels=c("Low","Medium","High")`.

Suppose $n = 10$, and you have a variable `z` that is to become a factor. Suppose `z` was entered to have numeric values:

```
z <- c(2, 3, 4, 2, 3, 4, 3, 3, 2, 2)
summary(z)

  Min. 1st Qu.  Median    Mean 3rd Qu.    Max.
  2.0    2.0    3.0    2.8    3.0    4.0

class(z)
```

```
[1] "numeric"
```

The class of `z` is `numeric`, regular numbers. The summary of a numeric vector includes the minimum, maximum, mean and other statistics.

You can convert `z` to a factor using

```
z.factor <- factor(z)
summary(z.factor)
```

```
2 3 4
4 4 2
```

```
class(z.factor)
```

```
[1] "factor"
```

The summary for a factor is the number of observations at each level. You can change the labels for the levels of the factor:

```
z.factor <- factor(z, labels=c("Group1", "Group2", "Group3"))
summary(z.factor)
```

```
Group1 Group2 Group3
      4      4      2
```

```
class(z.factor)
```

```
[1] "factor"
```

You can convert a factor back to a vector of numbers:

```
as.numeric(z.factor)
```

```
[1] 1 2 3 1 2 3 2 2 1 1
```

where the numbers are the level numbers, starting with 1.

In the datasets in the `alr4` factors will generally have been stored as factors, so you won't need to specify them as factors. You can always find out about a factor as follows:

```
class(UN11$group)
```

```
[1] "factor"
```

```
levels(UN11$group)
```

```
[1] "oece"   "other"  "africa"
```

R uses the first level of a factor as a baseline group, but this is not always desirable. There are many ways to change this. Here are two alternatives that use the `relevel` and the `factor` commands.

```
levels(relevel(z.factor, "Group3"))
```

```
[1] "Group3" "Group1" "Group2"
```

```
levels(factor(z.factor, levels=c("Group2", "Group3", "Group1")))
```

```
[1] "Group2" "Group3" "Group1"
```

5.1.1 One-Factor Models

`ALR[5.1]` displays a boxplot with particular points labeled. The `Boxplot` function in the `car` package, with a capital "B", makes this easy:

```
Boxplot(lifeExpF ~ group, data=UN11, id.n=2)
```

The argument `id.n=2` identifies up to 2 points in each boxplot and labels them. This argument is available in most of the plotting methods in the `car` package. The method that is used to identify points depends on the plot, and can be changed using other arguments. See `?showLabels`.

Here is the code that generates the dummy variables for `group` for the first 10 rows of the `UN11` data:

```
head(model.matrix(~ -1 + group, UN11), 10)
```

	groupoecd	groupother	groupafrica
Afghanistan	0	1	0
Albania	0	1	0
Algeria	0	0	1
Angola	0	0	1
Anguilla	0	1	0
Argentina	0	1	0
Armenia	0	1	0
Aruba	0	1	0
Australia	1	0	0
Austria	1	0	0

The magic command `model.matrix` returns the regressors generated by the variables in the formula given as its argument. By putting the `-1` in the formula the intercept is excluded so all the dummy variables for `group` are displayed. Try it without the `-1`. The `head` command prints the first few rows of a matrix or data frame, here the first 10. There is also a `tail` command to print the last few, and a `some` command, in the `car` package, to print a few rows selected at random.

`ALR[F5.2]` has lines fitted separately to each level of `group`. The `scatterplot` function in the `car` package makes this easy:

```
scatterplot(lifeExpF ~ log(ppgdp) | group, data=UN11,
            smooth=FALSE, boxplots=FALSE,
            ylab="Female Life Expectancy")
```

The plot is “conditioned on” the variable to the right of the |. `scatterplot` has defaults that we have defeated here: `boxplots=FALSE` suppresses marginal boxplots; `smooth=FALSE` suppresses fitting smoothers. Try drawing the plot without these two arguments (see also COMPANION[3.2.1]).

5.1.2 Adding a Continuous Predictor

Here is the R code that will give an approximation to ALR[F5.3]. First, fit the regression model,

```
m1 <- lm(lifeExpF ~ group * log(ppgdp), UN11)
```

Then, draw the plot

```
plot(Effect(c("group", "ppgdp"), m1, default.levels=100),
     rug=FALSE, grid=TRUE, multiline=TRUE)
```

The `Effect` function had as its first argument the names of two predictors, and it figured out that the `group*log(ppgdp)` interaction is of interest.

The plot in ALR[F5.3B] requires changing the horizontal axis. The syntax for this is a little complicated.

```
plot(Effect(c("group", "ppgdp"), m1, default.levels=100),
     rug=FALSE, grid=TRUE, multiline=TRUE,
     transform.x=list(ppgdp=list(trans=log, inverse=exp)),
     ticks.x =list(at= c(100, 1000, 5000, 30000)))
```

5.1.3 The Main Effects Model

Here is the code for ALR[F5.4].

```
plot(allEffects(m1, default.levels=50), ylim=c(60,85),
     grid=TRUE, multiline=TRUE)
```

The `allEffects` function results in plots being drawn for all relevant effects¹ The `ylim` argument guarantees that the the limits on the vertical axis are the same for each plot.

When plotting using `allEffects`, try the argument `ask=TRUE` to see what happens.

5.3 Polynomial Regression

Polynomials can be formed in R in at least two ways. Suppose we have a response variable `y` and a predictor variable `x`. For a simple example, we generate random data:

```
set.seed(191)
x <- 2 * runif(20)
y <- 1 + 2*x - 1*x^2 - 1.5*x^3 + rnorm(20)
```

There are $n = 10$ observations. The `xs` are uniform random numbers between 0 and 2. The response `y` is a cubic polynomial in `x` plus a standard normal random number. The `set.seed` function guarantees that the same random numbers will be generated if you try to reproduce this example.

A cubic polynomial can be fit using

```
m1 <- lm(y ~ x + I(x^2) + I(x^3))
```

This method uses the identity function `I` to “protect” the square and cubic regressors; otherwise the function that reads the formula would incorrectly treat the “`^`” using its special meaning in formulas.

```
summary(m1)
```

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	-0.168	0.546	-0.31	0.76
x	4.893	3.086	1.59	0.13

¹If the model had an interaction, a plot for the interaction would be included, but not for each of the main effects that go into the interaction.

I(x ²)	-2.968	3.996	-0.74	0.47
I(x ³)	-1.055	1.352	-0.78	0.45

Residual standard error: 0.922 on 16 degrees of freedom

Multiple R-squared: 0.941

F-statistic: 85.2 on 3 and 16 DF, p-value: 4.7e-10

An alternative approach is to use the function `poly` (see also COMPANION[4.6.3]):

```
summary(m2 <- lm(y ~ poly(x, 3, raw=TRUE)))
```

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	-0.168	0.546	-0.31	0.76
poly(x, 3, raw = TRUE)1	4.893	3.086	1.59	0.13
poly(x, 3, raw = TRUE)2	-2.968	3.996	-0.74	0.47
poly(x, 3, raw = TRUE)3	-1.055	1.352	-0.78	0.45

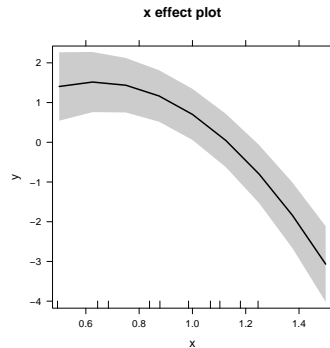
Residual standard error: 0.922 on 16 degrees of freedom

Multiple R-squared: 0.941

F-statistic: 85.2 on 3 and 16 DF, p-value: 4.7e-10

An advantage to this second approach is that an effect plot can return the fitted cubic with the second approach but not with the first:

```
print(plot(Effect("x", m2)))
```

Setting `raw=FALSE` in `poly` uses *orthogonal polynomials* rather than raw polynomials, COMPANION[4.6.3], ALR[5.3.2]. The parameters are different, but the fitted values and the test for the cubic regressor are the same.

```
summary(m3 <- lm(y ~ poly(x, 3)))
```

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	-0.941	0.206	-4.56	0.00032
poly(x, 3)1	-11.113	0.922	-12.06	1.9e-09
poly(x, 3)2	-9.651	0.922	-10.47	1.4e-08
poly(x, 3)3	-0.719	0.922	-0.78	0.44665

Residual standard error: 0.922 on 16 degrees of freedom

Multiple R-squared: 0.941

F-statistic: 85.2 on 3 and 16 DF, p-value: 4.7e-10

5.3.1 Polynomials with Several Predictors

(See also COMPANION[SEC. 4.6.3].) With two predictors, and generalizing to more than two predictors, the full second-order mean function ALR[E6.4] can be fit to the cakes data by

```
m1 <- lm(Y ~ X1 + X2 + I(X1^2) + I(X2^2) + X1:X2, data=cakes)
```

or more compactly using the `polym` function

```
m2 <- lm(Y ~ polym(X1, X2, degree=2, raw=TRUE), data=cakes)
```

Try fitting both of these and compare the fitted models.

The new feature here is the interaction regressor `X1:X2`, which is obtained by multiplying `X1` by `X2` elementwise. Other programs often write an interaction as `X1*X2`, but in R, `X1*X2 = X1+X2+X1:X2`.

With the cakes data, try this command and see if you can figure out the meaning of all the variables.

```
model.matrix(~ polym(X1, X2, degree=2, raw=TRUE), data=cakes)
```

This matrix is hard to understand because of the very long column names. Here's an alternative that will shorten the names:

```
z <- with(cakes, polym(X1, X2, degree=2, raw=TRUE))
model.matrix(~ z)
```

5.4 Splines

Splines are an advanced topic that you or your instructor may choose to skip at a first reading.

In R you need to use the `splines` package to use a spline variable. To get ALR[F5.9C] using B-splines, use

```
library(splines)
m1 <- lm(Interval ~ bs(Duration, df=5), oldfaith)
plot(Interval ~ Duration, oldfaith)
```

```
x <- with(oldfaith, seq(min(Duration), max(Duration), length=100))
lines(x, predict(m1, newdata=data.frame(Duration=x)))
```

The regression coefficients for each spline basis vector are generally not of interest. The Analysis of Variance discussed in Chapter 6 can be used for testing. Effects plots can be used with spline predictors.

A superb book [Wood \(2006\)](#) provides a comprehensive discussion of additive and generalized additive models, in which a spline basis is used for one or more predictors, with the df for each spline chosen in a sensible way. This book also introduces the `mgcv` package for R, named for the way the df are chosen, using generalized cross-validation.

5.5 Principal Components

Principal components depend on the scaling and centering of the data, and in most instances variables will be centered to have mean 0 and scaled to have column standard deviation 1. An exception to this rule can occur if the variables of interest are on the same scale.

For the professor ratings in `ALR[5.1]`, the scaled principal components are computed using the `prcomp` function:

```
x <- Rateprof[, 8:12]
z <- prcomp(scale(x))
```

The `scale` function returns a scaled version of its argument 0 column means and column sds equal to 1.

The *eigenvectors*, which give the linear combinations of the original variables that define the principal component vectors, are given by

```
z
```

Standard deviations:

```
[1] 1.89212 0.89546 0.73311 0.28051 0.04357
```

Rotation:

	PC1	PC2	PC3	PC4	PC5
quality	-0.5176	-0.03835	0.2666	-0.036156	0.8113092
helpfulness	-0.5090	-0.04358	0.2451	-0.697681	-0.4384192
clarity	-0.5053	-0.02414	0.2893	0.714757	-0.3867140
easiness	-0.3537	-0.55824	-0.7498	0.032238	-0.0042706
raterInterest	-0.3042	0.82729	-0.4722	0.004175	0.0003509

while the eigenvalues are given by

```
summary(z)
```

Importance of components:

	PC1	PC2	PC3	PC4	PC5
Standard deviation	1.892	0.895	0.733	0.2805	0.04357
Proportion of Variance	0.716	0.160	0.107	0.0157	0.00038
Cumulative Proportion	0.716	0.876	0.984	0.9996	1.00000

ALR[T5.5] shows the results based on unscaled principal components. In this instance the column means and sds are very similar, and so the results are similar, but not identical to, the scaled computations.

The object `z` created above can be used in further calculations.

```
predict(z)
```

will return the principal vectors, obtained by multiplying the original (scaled) data by the matrix of eigenvectors. Usually the first few columns of this matrix will be used to replace all the original data. You can also get predictions for values not used in computing the eigenvalues using the `newdata` argument as is usual with the `predict` function. The `plot` function produces a *scree plot*, which is just a bar diagram of the eigenvalues (called variances in the plot). You can get a plot of the first principal component against all the original predictors using, for example,

```
pairs(cbind(x, predict(z)[,1]))
```

Try it: for these data the first PC contains almost all the information in 3 of the original predictors, and “much” of the information in the remaining two.

5.6 Missing Data

The R package `mice` contains a useful function called `md.pattern` that gives a summary of missing data in a data frame. For example,

```
library(mice)
md.pattern(MinnLand)
```

	acrePrice	region	year	acres	financing	crpPct	improvements	tillable	productivity		
8770	1	1	1	1	1	1	1	1	1	1	0
17	1	1	1	1	1	1	0	1	1	1	1
196	1	1	1	1	1	1	1	0	1	1	1
8671	1	1	1	1	1	1	1	1	0	1	1
30	1	1	1	1	1	1	0	1	0	2	2
1013	1	1	1	1	1	1	1	0	0	2	2
3	1	1	1	1	1	1	0	0	0	3	3
	0	0	0	0	0	0	50	1212	9717	10979	

This data frame has 8770 rows that are complete, 17 rows missing `improvements`, 1013 rows missing `tillable` and `productivity`, and so on. In addition, 9717 of the rows are missing `productivity`. The first step to coping with missing data is learning what is missing.

Testing and Analysis of Variance

We discuss four important R functions that can be used to compute tests described in this chapter:

- `anova`, part of the standard distribution of R. This function is used for getting F -tests and Analysis of Variance tables for comparing 2 or more models, and for computing Type I, or sequential, Analysis of Variance for one model.
- `Anova`, with a capital “A”, is part of the `car` package, and can be used for computing Types II and III Analysis of Variance.
- `linearHypothesis`, which is used to compute Wald tests, as discussed in ALR[6.5.3]. For linear regression models Wald tests are equivalent to likelihood ratio F -tests, but they are different in small samples for other types of models, such as logistic regression.

- `lsmeans`, in the `lsmeans` package, is used to get tests, with correction for multiple testing, for the difference between levels in a factorial design.

These functions are particularly useful because they can be used with many models beyond linear models, including nonlinear models, generalized linear models, mixed models and many others.

6.1 The `anova` Function

For illustration, we will use the `fuel2001` data. First, create the regressors needed,

```
library(alr4)
fuel2001 <- transform(fuel2001, Dlic=1000*Drivers/Pop,
                     Fuel=1000*FuelC/Pop, Income=Income/1000)
```

and then fit a sequence of models:

```
m0 <- lm(Fuel ~ 1, fuel2001)
m1 <- update(m0, ~ Tax)
m2 <- update(m1, ~ . + Dlic)
m3 <- update(m2, ~ . + Income + log(Miles))
```

The model `m0` is the null model with no regressors beyond the intercept. The model `m1` uses only `Tax` as a regressor, `m2` uses `Tax` and `Dlic`, and `m3` adds both `Income` and `log(Miles)`, so `m3` has 4 regressors beyond the intercept. The `update` function is used to fit the successive models. When creating `m1`, the formula defining the model is updated on the right side, but the response on the left side is not changed. In creating `m2`, including the “.” on the right side updates the regressors by adding `Dlic`, so this is now equivalent to `Fuel ~ Tax + Dlic`.

The *overall* test for H_0 : Model `m0` vs. H_A : `m3` is given by

```
anova(m0, m3)
```

Analysis of Variance Table

Model 1: Fuel ~ 1

Model 2: Fuel ~ Tax + Dlic + Income + log(Miles)

	Res.Df	RSS	Df	Sum of Sq	F	Pr(>F)
1	50	395694				
2	46	193700	4	201994	11.992	9.331e-07

The first row of this table is for the fit of m_0 , fitting only an intercept. The df and RSS for m_0 are, respectively, $n - 1$ and SY^2 , the total sum of squares. The second row gives the df and RSS for m_3 , and also SS_{reg} , the change in df and change in RSS from m_0 . These differences are required in the numerator of $ALR[E6.3]$. The F -test shown corresponds exactly to $ALR[E6.3]$, in this case with (4,46) df. This F -test is also shown in the `summary` output for m_3 :

```
summary(m3)
```

Call:

```
lm(formula = Fuel ~ Tax + Dlic + Income + log(Miles), data = fuel2001)
```

Residuals:

	Min	1Q	Median	3Q	Max
	-163.145	-33.039	5.895	31.989	183.499

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	154.1928	194.9062	0.791	0.432938
Tax	-4.2280	2.0301	-2.083	0.042873
Dlic	0.4719	0.1285	3.672	0.000626
Income	-6.1353	2.1936	-2.797	0.007508
log(Miles)	26.7552	9.3374	2.865	0.006259

Residual standard error: 64.89 on 46 degrees of freedom
 Multiple R-squared: 0.5105, Adjusted R-squared: 0.4679
 F-statistic: 11.99 on 4 and 46 DF, p-value: 9.331e-07

The command

```
anova(m1, m3)
```

Analysis of Variance Table

Model 1: Fuel ~ Tax

Model 2: Fuel ~ Tax + Dlic + Income + log(Miles)

	Res.Df	RSS	Df	Sum of Sq	F	Pr(>F)
1	49	369059				
2	46	193700	3	175359	13.881	1.41e-06

provides the F -test for H_0 : model m1 versus H_A : model m3. If more than two models are compared we get

```
anova(m1, m2, m3)
```

Analysis of Variance Table

Model 1: Fuel ~ Tax

Model 2: Fuel ~ Tax + Dlic

Model 3: Fuel ~ Tax + Dlic + Income + log(Miles)

	Res.Df	RSS	Df	Sum of Sq	F	Pr(>F)
1	49	369059				
2	48	289681	1	79378	18.851	7.692e-05
3	46	193700	2	95981	11.397	9.546e-05

The F -test in row 2 of this table is for the null hypothesis m_1 versus the alternative m_2 , but using the RSS from m_3 to estimate error variance. Row 3 of the table is for the null hypothesis m_2 versus the alternative m_3 , again using the RSS from m_3 to estimate error variance.

If `anova` is used with one argument, we get

```
anova(m3)
```

Analysis of Variance Table

Response: Fuel

	Df	Sum Sq	Mean Sq	F value	Pr(>F)
Tax	1	26635	26635	6.3254	0.0154602
Dlic	1	79378	79378	18.8506	7.692e-05
Income	1	61408	61408	14.5833	0.0003997
log(Miles)	1	34573	34573	8.2104	0.0062592
Residuals	46	193700	4211		

This is a sequential or Type I, analysis of variance. The F in the row of `Tax` tests $NH: m_1$ versus $AH: m_0$. The F in the row for `Dlic` tests $NH: m_2$ versus $AH: m_1$. Thus each F is a test for adding the regressor named to a mean function that includes all the regressors listed above it, including an intercept if any. This breakdown is rarely of other than pedagogical interest.

6.2 The Anova Function

The `Anova` function is used to get a single Analysis of Variance table that summarizes all of the usual tests that might be contemplated for a given model. The `Anova` function accepts only one model as an argument:

```
Anova(m3)
```

Anova Table (Type II tests)

Response: Fuel

	Sum Sq	Df	F value	Pr(>F)
Tax	18264	1	4.3373	0.0428733
Dlic	56770	1	13.4819	0.0006256
Income	32940	1	7.8225	0.0075078
log(Miles)	34573	1	8.2104	0.0062592
Residuals	193700	46		

These are the Type II tests for each of the coefficients as described in ALR[6.2]. Unlike the one-at-a-time tests illustrated earlier, all these tests use the fit of a model with all the regressors to get the estimate of σ^2 for the denominator of the test. This is standard practice used in statistical software.

The Type II anova that is the default in the `Anova` command agrees with the Type I anova obtained above with the `anova` command only for the last test in the table, in the example for `log(Miles)`. `Anova` can also be used to get Type III tests using the argument `type=3`. For Type III tests with factors, non-default definition for the contrasts that define the factors must be used to get the correct answer; see COMPANION[4.4.4].

6.3 The linearHypothesis Function

A general linear hypothesis ALR[6.5.3] can be computed with the `linearHypothesis` function from the `car` package (see also COMPANION[4.4.5]). To test $\text{NH} : \mathbf{L}\boldsymbol{\beta} = \mathbf{c}$ versus the alternative $\text{AH} : \mathbf{L}\boldsymbol{\beta} \neq \mathbf{c}$, the test statistic is ALR[E6.21]

$$F = \frac{(\mathbf{L} - \mathbf{c})'(\mathbf{L}\hat{\mathbf{V}}\mathbf{L}')^{-1}(\mathbf{L} - \mathbf{c})}{q}$$

Under NH and normality this statistic can be compared with an $F(q, n - p')$ distribution to get significance levels. Computing this test requires specifying the matrix \mathbf{L} and the vector \mathbf{c} . In most instances $\mathbf{c} = \mathbf{0}$. The general form of calls to the function is

```
linearHypothesis(model, hypothesis.matrix, rhs)
```

where `model` is a fitted model, `hypothesis.matrix` is either the matrix \mathbf{L} or something equivalent, and `RHS` is `c`, set to $\mathbf{0}$ if not specified.

For the UN data,

```
u1 <- lm(lifeExpF ~ group*log(ppgdp), UN11)
coef(u1)
```

```
(Intercept)          groupother          groupafrica
59.2136614          -11.1731029          -22.9848394
log(ppgdp)  groupother:log(ppgdp)  groupafrica:log(ppgdp)
2.2425354           0.9294372           1.0949810
```

We can test for equality of intercepts for levels `other` and `africa` using

```
linearHypothesis(u1, c(0, 1, -1, 0, 0, 0))
```

Linear hypothesis test

Hypothesis:

```
groupother - groupafrica = 0
```

Model 1: restricted model

```
Model 2: lifeExpF ~ group * log(ppgdp)
```

	Res.Df	RSS	Df	Sum of Sq	F	Pr(>F)
1	194	5204.2				
2	193	5077.7	1	126.53	4.8094	0.0295

In this case \mathbf{L} has only one row. Because the first element of the argument is 0, the first coefficient for the intercept is ignored. The 1 and -1 in the second and third elements will examine the difference

between the second and third coefficients. The remaining zeroes ignore the remaining coefficients. There are several other ways of specifying this, including:

```
linearHypothesis(u1, "groupother=groupafrica")
linearHypothesis(u1, "groupother-groupafrica")
linearHypothesis(u1, "1*groupother - 1*groupafrica = 0")
```

We can simultaneously test the slope and intercept for `other` and `africa` to be equal, with the matrix

$$L = \begin{pmatrix} 0 & 1 & -1 & 0 & 0 & 0 \\ 0 & 0 & 0 & 0 & 1 & -1 \end{pmatrix}$$

specified as

```
L <- matrix(c(0, 1, -1, 0, 0, 0,
              0, 0, 0, 0, 1, -1), byrow=TRUE, nrow=2)
linearHypothesis(u1, L)
```

Linear hypothesis test

Hypothesis:

```
groupother - groupafrica = 0
groupother:log(ppgdp) - groupafrica:log(ppgdp) = 0
```

Model 1: restricted model

Model 2: lifeExpF ~ group * log(ppgdp)

	Res.Df	RSS	Df	Sum of Sq	F	Pr(>F)
1	195	8081.2				
2	193	5077.7	2	3003.5	57.081	< 2.2e-16

The very small p -value suggests that either the slope, intercept, or both is different for the two levels of group. The test for common intercepts with separate slopes was given above with p -value 0.295. The test for equal slopes but allowing for separate intercepts uses only the second row of **L**:

```

linearHypothesis(u1, L[2, ])

Linear hypothesis test

Hypothesis:
groupother:log(ppgdp) - groupafrica:log(ppgdp) = 0

Model 1: restricted model
Model 2: lifeExpF ~ group * log(ppgdp)

   Res.Df    RSS Df Sum of Sq    F Pr(>F)
1     194 5079.2
2     193 5077.7  1     1.4597 0.0555  0.814

```

The help page `?linearHypothesis` contains many more examples.

6.4 Comparisons of Means

As an example, consider the wool data treating `len`, `amp` and `load` as factors:

```

Wool$len <- factor(Wool$len)
Wool$amp <- factor(Wool$amp)
Wool$load <- factor(Wool$load)
m1 <- lm(log(cycles) ~ (len + amp + load)^2, Wool)
Anova(m1)

```

Anova Table (Type II tests)

```

Response: log(cycles)
      Sum Sq Df  F value    Pr(>F)

```

len	12.5159	2	301.7441	2.930e-08
amp	7.1674	2	172.7986	2.620e-07
load	2.8019	2	67.5509	9.767e-06
len:amp	0.4012	4	4.8357	0.02806
len:load	0.1358	4	1.6364	0.25620
amp:load	0.0146	4	0.1760	0.94456
Residuals	0.1659	8		

Because this is a balanced experiment, Type I and Type II analysis of variance are the same so `anova` could have been used. Only one of the two-factor interactions appears to be important, so we concentrate on the mean function including only this one interaction,

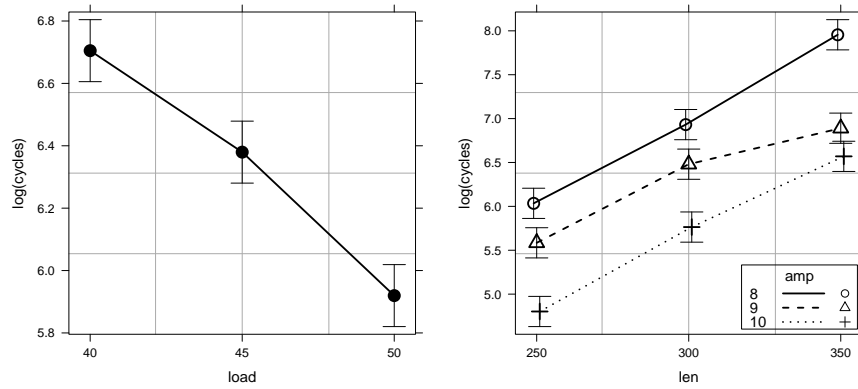
```
m2 <- update(m1, ~ . - amp:load - len:load)
```

The model `m1` included all three two-factor interactions. Model `m2` is an update of this removing two of the two-factor interactions.

The effects plots copied from ALR[F6.1] are:

```
ef2 <- allEffects(m2)
plot(ef2, ask=FALSE, multiline=TRUE, main="", rug=FALSE, grid=TRUE,
     ci.style="bars", key.arg=list(corner=c(.98, .02)))
```

The plot was created in two steps, first by setting `ef2` to be the result of `allEffects`, and the second applies `plot` to `ef2`. The arguments `ci.style` and `key.arg` are used for custom choices for confidence interval style and placement of the legend. The first figure summarizes the `load` effect and the second the interaction between the remaining factors.



If we print `ef2`,

```
ef2
```

```
model: log(cycles) ~ len + amp + load + len:amp
```

```
load effect
```

```
load
```

```

      40      45      50
6.704924 6.379635 5.919685
```

```
len*amp effect
```

```
amp
```

```

len      8      9      10
250 6.034496 5.584550 4.802098
300 6.931545 6.480485 5.764111
350 7.955145 6.890521 6.569782
```


These are the *adjusted means*. The first table for `load` gives the estimated average response for `load` equal to 40, 45 or 50 when the other regressors are fixed at their sample mean values (this default can be changed by the user). The `len*amp` table gives the adjusted means for each combination of `amp` and `len` when the regressors that represent `load` are set equal to their sample mean values. In the case of a balanced experiment like this one, the adjusted means are simply the sample means of the data for each combination of the focal predictor or predictors.

It is often of interest to compute tests to compare various adjusted means. These are in theory simply tests concerning linear combinations of coefficients, ALR[3.5], but doing the computations can be complicated in complex models. The `lsmeans` package ([Lenth, 2013](#)) does the required calculations¹.

```
library(lsmeans)
lsmeans(m2, pairwise ~ load)

$`load lsmeans`
  load  lsmean      SE df lower.CL upper.CL
  40  6.704924 0.0468645 16  6.605576  6.804273
  45  6.379635 0.0468645 16  6.280286  6.478983
  50  5.919685 0.0468645 16  5.820337  6.019034

$`load pairwise differences`
      estimate      SE df  t.ratio p.value
40 - 45 0.3252896 0.06627641 16   4.90808 0.00044
40 - 50 0.7852390 0.06627641 16  11.84794 0.00000
45 - 50 0.4599494 0.06627641 16   6.93987 0.00001
  p values are adjusted using the tukey method for 3 means
```

Although the syntax is different, `lsmeans` and `effects` do fundamentally the same calculations, with `effects` focusing on graphs and `lsmeans` on tests. The output above gives the estimated means, their

¹`lsmeans` is not automatically loaded when you load `alr4`, so the `library` command shown is required. If you do not have `lsmeans` on your system, you can get it with the command `install.packages("lsmeans")`.

standard errors, and confidence intervals. The pairwise differences are the estimated differences between all pairs of means, their standard errors, t -value, and appropriate significance level adjusted for multiple testing. In this example all 3 pairwise comparisons are apparently non-zero with very small p -values.

For the `len:amp` interaction, we could compare levels for `amp` for each level of `len`

```
lsmeans(m2, pairwise ~ amp|len)[[2]]
```

		estimate	SE	df	t.ratio	p.value
8 - 9	250	0.4499457	0.1147941	16	3.91959	0.00331
8 - 10	250	1.2323981	0.1147941	16	10.73573	0.00000
9 - 10	250	0.7824523	0.1147941	16	6.81614	0.00001
8 - 9	300	0.4510601	0.1147941	16	3.92930	0.00324
8 - 10	300	1.1674344	0.1147941	16	10.16981	0.00000
9 - 10	300	0.7163743	0.1147941	16	6.24051	0.00003
8 - 9	350	1.0646238	0.1147941	16	9.27420	0.00000
8 - 10	350	1.3853636	0.1147941	16	12.06825	0.00000
9 - 10	350	0.3207399	0.1147941	16	2.79404	0.03295

p values are adjusted using the tukey method for 3 means

The `[[2]]` in the command shortened the output by suppressing the first table of cell means.

Two variations on this:

```
lsmeans(m2, pairwise ~ len|amp)
```

compares levels of `len` for each value of `amp`, and

```
lsmeans(m2, pairwise ~ len:amp)
```

returns all 72 comparisons between the the (`len`, `amp`) means.

For a more general introduction to the full power of `lsmeans`, enter the command

```
vignette("using-lsmeans", package="lsmeans")
```

into R.

6.5 Power

Suppose we have a regressor X_2 with values 0 and 1, with 0 indicating units that are to be given a control treatment and 1 to be given a new treatment, with assignment of units to treatments to be done at random. In addition, suppose we have $p = 5$ other regressors, plus an intercept, and $n = 20$.

A test for a treatment effect is equivalent to testing $\beta_2 = 0$ versus $\beta_2 \neq 0$, for which we can use an F -test and reject at level $\alpha = 0.05$ if the observed value of F exceeds

```
(crit.val <- qf(1 - .05, 1, 20 - 5 - 1 - 1))
```

```
[1] 4.667193
```

Now suppose there is a treatment effect of magnitude $\beta_2/\sigma = 0.75$, where σ is the standard deviation of regression from the fitted model. We measure the size of the effect in σ units. The probability that the null hypothesis of $\beta_2 = 0$ is rejected in this situation is the power of the test, and it depends on the noncentrality parameter λ defined in general at ALR[E6.18], and for this particular example the noncentrality is given just above ALR[E6.19] as $\lambda = (n - 1)SD_2^2(\beta_2/\sigma)^2 = 20(.75)^2/4 = 2.8125$ because $SD_2^2 = 1/4$ for this design. The power of the test is

```
my.power <- function(n=20, lambda=(n-1)*.75^2/4, p=5, alpha=0.05){
  pf(qf(1-alpha, 1, n-p-1-1),
     1, n-p-1-1, lambda, lower.tail=FALSE)
}
my.power()
```

```
[1] 0.328279
```

We defined `my.power` as a function with arguments that give the sample size, the noncentrality parameter, the number of additional regressors and the significance level. When executed, `my.power` calls the function `pf` that will return the probability that the value of F exceeds the first argument of the function, which is the critical value determined previously. The remaining arguments are the df, the value of λ , and `lower.tail=FALSE` to get the power rather than the probability of Type II error.

The power is disappointing: there is only about a 34% chance of detecting a difference of this size. If we triple the sample size:

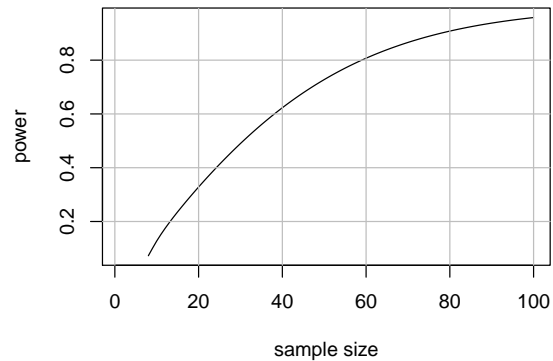
```
my.power(n=60)
```

```
[1] 0.8072793
```

we can get up to about 80% power.

If the size of the effect of interest is fixed, one can draw a power curve as a function of sample size to determine the sample size:

```
plot(1:100, my.power(n=1:100),  
     xlab="sample size", ylab="power", type="l")  
grid(lty=1,col="gray")
```

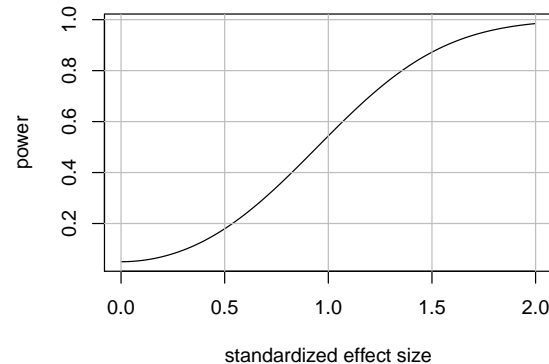


If sample size is fixed but the effect size is allowed to vary,

```

plot(seq(0, 2, length=100),
     my.power(lambda=20*seq(0,2,length=100)^2/4),
     xlab="standardized effect size", ylab="power", type="l")
grid(lty=1,col="gray")

```



The function `my.power` is perfectly general in linear models for computing the power of a test or power curves. The difficulty is in computing the noncentrality parameter λ , given in general at ALR[E6.18] and in special cases at ALR[E6.19] and ALR[E6.20]. Because using these equations can be difficult, some statistical packages include power calculators, essentially applications of the `my.power` for particular situations. One of these is the power calculator given by [Lenth \(2006-9\)](#), and accessible at <http://www.stat.uiowa.edu/~rlenth/Power>. For example, the “Linear regression” option on Lenth’s power calculator is for the power of an overall F -test. In the resulting dialog, you can get results similar, but not identical to, the results from `my.power` by setting `No. of predictors = 1`, `SD of x = .5`. Setting `Error SD = 1`, makes `Detectable beta` equal to β_2/σ , the effect size. The dialog can be used to determine any of power, detectable difference, or sample size for given values of the other two.

6.6 Simulating Power

ALR[6.4] contains a small simulation to demonstrate the effect of sample size on the significance level of a test. First, the problem is set up.

```
MinnLand$year <- factor(MinnLand$year)
n <- length(MinnLand$year) # sample size
m1 <- lm(log(acrePrice) ~ fyear + region + year:region, MinnLand) # the model
set.seed(400) # for reproducibility, always use the same random numbers
frac <- c(.05, .1, .15, .20, .25, .30) # fraction of the data to use
sample.sizes <- floor(n * frac) # sample size rounded down to be integers
reps <- 100 # number of replications
```

We can use the `Anova` function to get the p -value for the test, using

```
Anova(m1)[3, 4]
```

```
[1] 6.735433e-26
```

since the test for the interaction is on the third row of the `Anova` output, and the p -value is in the fourth column. We do the simulation using the `update` function to apply `Anova` to a randomly selected subset of the observations.

The simulation is done by the following `for` loops (see also COMPANION[8.3.2]).

```
pvals <- as.data.frame(matrix(0, reps, length(frac))) # initialize output as a data.frame
colnames(pvals) <- sample.sizes # label the columns with the sample sizes
# Here is the simulation:
for (j in 1:length(sample.sizes)) {
  for(i in 1:reps) {
    pvals[i, j] <- Anova(update(m1, subset=sample(1:n, sample.sizes[j]))) [3, 4]
  }
}
# This is the end of the simulation. Now, compute summary statistics on each column
```

```
out <- data.frame(Average=apply(pvals, 2, mean),
                  Sd = apply(pvals, 2, sd),
                  Power=apply(pvals, 2, function(x) sum(x < .05)/reps))
t(out) # transpose the output for prettier printing:
```

	935	1870	2805	3740	4675	5610
Average	0.170637	0.05484359	0.02017971	0.0007464058	0.0004139794	9.181443e-06
Sd	0.202754	0.09380331	0.07486963	0.0024162058	0.0015588169	5.370229e-05
Power	0.360000	0.73000000	0.91000000	1.000000000000	1.000000000000	1.000000e+00

Average is the average p -value in the 100 replications; Sd is the standard deviation of the p -values, and Power is the fraction of samples with p -value smaller than $\alpha = 0.05$.

7.1 Weighted Least Squares

Weighted least squares estimates are most easily obtained using the `weights` argument for the `lm` command. In the physics data in ALR[5.1], the weights are the inverse squares of the variable `SD` in the data frame. WLS is computed by

```
m1 <- lm(y ~ x, data=physics, weights=1/SD^2)
summary(m1)
```

Call:

```
lm(formula = y ~ x, data = physics, weights = 1/SD^2)
```


Weighted Residuals:

Min	1Q	Median	3Q	Max
-2.323	-0.884	0.000	1.390	2.335

Coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	148.47	8.08	18.4	7.9e-08
x	530.84	47.55	11.2	3.7e-06

Residual standard error: 1.66 on 8 degrees of freedom

Multiple R-squared: 0.94, Adjusted R-squared: 0.932

F-statistic: 125 on 1 and 8 DF, p-value: 3.71e-06

You can nearly “set and forget” weights and use `lm` for WLS just as you would for OLS. There are, however, a few exceptions:

1. The `residuals` helper function returns a vector of $y - \hat{y}$, as with OLS. With WLS a more reasonable set of residuals is given by $\sqrt{w}(y - \hat{y})$. R will return these correct residuals if you specify `residuals(m1, type="pearson")`. For OLS all the weights equal one, so the Pearson and ordinary residuals are identical. Consequently, if you always use `type="pearson"`, you will always be using the right residuals.
2. The `predict` helper function was recently rewritten to include a `weights` argument for predictions at new values. See `?predict.lm` for details.

7.2 Misspecified Variances

7.2.1 Accommodating Misspecified Variance

The function `hccm` in the `car` package can be used to get a heteroscedasticity-corrected covariance matrix. For example, using the `sniffer` data the OLS fit is obtained by:

```
s1 <- lm(Y ~ ., sniffer)
```

The formula `Y ~ .` uses `Y` as the response, and all other columns in the data frame as predictors.

The `vcov` function returns the usual estimate of $\text{Var}(\hat{\beta})$:

```
vcov(s1)
```

	(Intercept)	TankTemp	GasTemp	TankPres	GasPres
(Intercept)	1.070996	0.008471	-0.017735	-0.20657	0.09309
TankTemp	0.008471	0.002359	-0.001003	-0.04777	0.02791
GasTemp	-0.017735	-0.001003	0.001696	0.04149	-0.04686
TankPres	-0.206566	-0.047774	0.041495	2.49641	-2.38665
GasPres	0.093089	0.027915	-0.046864	-2.38665	2.64112

The square roots of the diagonals of this matrix,

```
sqrt(diag(vcov(s1)))
```

(Intercept)	TankTemp	GasTemp	TankPres	GasPres
1.03489	0.04857	0.04118	1.58000	1.62515

are the standard errors of the coefficients used in the usual regression output:

```
summary(s1)$coef
```

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	0.15391	1.03489	0.1487	8.820e-01
TankTemp	-0.08269	0.04857	-1.7027	9.122e-02
GasTemp	0.18971	0.04118	4.6064	1.028e-05
TankPres	-4.05962	1.58000	-2.5694	1.141e-02
GasPres	9.85744	1.62515	6.0656	1.574e-08

The `hc3` estimated is returned by

```
hccm(s1, type="hc3")
```

	(Intercept)	TankTemp	GasTemp	TankPres	GasPres
(Intercept)	1.09693	0.015622	-0.012831	-0.26718	-0.03244
TankTemp	0.01562	0.001975	-0.000641	-0.03916	0.01823
GasTemp	-0.01283	-0.000641	0.001142	0.03986	-0.04345
TankPres	-0.26718	-0.039156	0.039856	3.89032	-3.86151
GasPres	-0.03244	0.018228	-0.043447	-3.86151	4.22652

The function `coeftest` in the `lmtest` package¹ allows using the output from `hccm` or any other estimate of $\text{Var}(\hat{\beta})$:

```
library(lmtest)
coeftest(s1, vcov=hccm)
```

t test of coefficients:

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	0.1539	1.0473	0.15	0.883
TankTemp	-0.0827	0.0444	-1.86	0.065

¹`lmtest` is not automatically loaded when you load `alr4`, so the `library` command shown is required. If you do not have `lmtest` on your system, you can get it with the command `install.packages("lmtest")`.

GasTemp	0.1897	0.0338	5.61	1.3e-07
TankPres	-4.0596	1.9724	-2.06	0.042
GasPres	9.8574	2.0559	4.79	4.7e-06

The R functions `linearHypothesis`, `Anova` and `deltaMethod` in the `car` package have options to use `hccm` in place of `vcov`; see the help pages for these functions.

7.2.2 A Test for Constant Variance

The `ncvTest` function in the `car` package can be used to compute the nonconstant variance test (see also COMPANION[6.5.2]). To test for nonconstant variance as a function of the mean in the `sniffer` data,

```
ncvTest(s1)
```

```
Non-constant Variance Score Test
Variance formula: ~ fitted.values
Chisquare = 4.803    Df = 1    p = 0.02842
```

To test as a function of `TankTemp` and `GasTemp`,

```
ncvTest(s1, ~ TankTemp + GasTemp)
```

```
Non-constant Variance Score Test
Variance formula: ~ TankTemp + GasTemp
Chisquare = 9.836    Df = 2    p = 0.007313
```

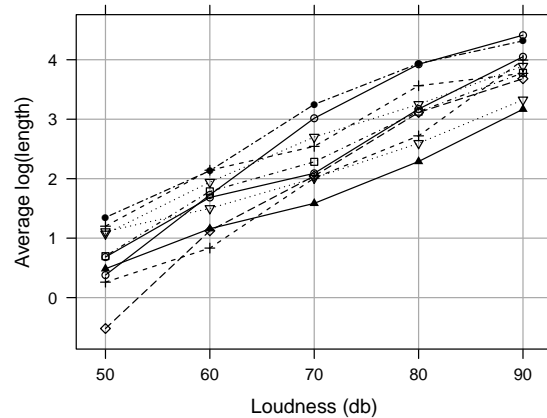
7.3 General Correlation Structures

7.4 Mixed Models

See <http://socserv.mcmaster.ca/jfox/Books/Companion-1E/appendix-mixed-models.pdf>

The figure ALR[F7.4] uses lattice graphics. Here is the R command:

```
print(xyplot(y ~ loudness, group=subject, data=Stevens, type=c("l", "g", "p"),
  xlabel="Loudness (db)", ylabel="Average log(length)"))
```



7.6 The Delta Method

(See also COMPANION[4.4.6].) The `deltaMethod` implements the delta-method for computing the estimate and standard error of any combination of regression coefficients. For example, with the transaction data,

```
m1 <- lm(time ~ t1 + t2, data=Transact)
```

an estimate and standard error for β_1/β_2 is

```
deltaMethod(m1, "t1/t2")
      Estimate      SE
t1/t2      2.685 0.319
```

The first argument is the name of a regression model and the second argument is a **quoted** expression that evaluated returns the combination of parameters of interest. Here the “names” of the parameters are the names returned by `names(coef(m1))`, so the parameter names are the regressor names for a linear model. To get the standard error for $(\beta_0 + \beta_1)/(\beta_0 + \beta_2)$, use

```
deltaMethod(m1, "((Intercept) + t1)/((Intercept) + t2)")
      Estimate      SE
((Intercept) + t1)/((Intercept) + t2)  1.023 0.026
```

You can also rename the parameter estimates for easier typing:

```
deltaMethod(m1, "(b0 + b1)/(b0 + b2)", parameterNames= c("b0", "b1", "b2"))
      Estimate      SE
(b0 + b1)/(b0 + b2)  1.023 0.026
```

If you do an assignment,

```
out1 <- deltaMethod(m1, "t1^2/sqrt(t2)")
```

then `out1` is a data.frame with one row and two columns, that you can use in other computations,

```
out1
      Estimate      SE
t1^2/sqrt(t2)  20.92 3.705
```

7.7 The Bootstrap

See <http://z.umn.edu/carboot> for an introduction to bootstrapping with the `car` package.

8.1 Transformation Basics

This chapter uses graphs and smoothers in ways that are uncommon in most most statistical packages, including R (see also COMPANION[3.4]).

Our solution to this problem is to automate this process with several commands that are included in the `car`. These commands become available when you use the command `library(alr4)` to load the data files. In the main part of this chapter we show how to use these commands, along with an outline of what they do. Here is a description of coming attractions.

Transformation families We work with three families of transformations. The basic power family is computed with the function `basicPower`; the Box-Cox power family is computed with `bcPower`,

and the Yeo-Johnson family, which can be used if the variable includes non-positive values, is computed with `yjPower`.

Transforming predictors The `invTranPlot` function provides a graphical method to transform a single predictor for linearity. The `powerTransform` function provides a method for transforming one or more variables for normality. It also permits conditioning on other, non-transformed variables.

Although these function are adequate for almost all applications, additional function are available in the `car` package that are not discussed in ALR, including `boxTidwell` which is essentially a numerical generalization of `invTranPlot`, and of `crPlots` for component plus residual plots.

Transforming the response The `boxcox` command in the `MASS` package implements the Box-Cox method of finding a power transformation. The function `boxCox` with a capital “C” extends the method to allow for using the Yeo-Johnson family of transformations, but it is otherwise identical to `boxcox`. The `powerTransform` command provides numeric, rather than graphical, output, for the same method. The `invResPlot` is used to transform the response for linearity using a graph.

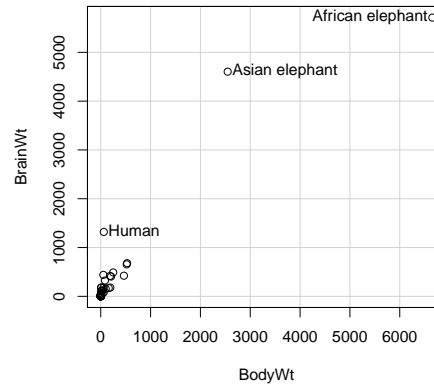
8.1.1 Power Transformations

8.1.2 Transforming Only the Predictor Variable

The graph in ALR[F8.1] uses the `scatterplot` function in `car`. Here is the code:

```
scatterplot(BrainWt ~ BodyWt, brains, id.n=3, boxplots=FALSE, smooth=FALSE, reg=FALSE)
```

Asian elephant	Human African elephant
19	32 33



The `scatterplot` function is an elaboration of the `plot` function with many helpful additions to the plot done either by default or using arguments. This command used the `brains` data file to plot `BrainWt` versus `BodyWt`. The argument `id.n=3` is used in `car` graphics to identify 3 of the points with labels. With `scatterplot` points that are “farthest” from the center of the data are labeled. Look at the help page `?showLabels` for complete information. The remaining 3 arguments turn off marginal boxplots, a fitted smoother and a fitted OLS line, which are included by default with `scatterplot`.

8.1.3 Transforming One Predictor Variable

The `car` package includes a function called `invTranPlot` for drawing the inverse transformation plots like `ALR[F8.3]`.

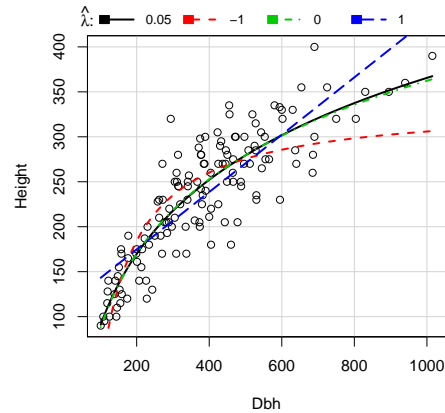
```
with(ufcwc, invTranPlot(Dbh, Height))

      lambda      RSS
1  0.04788 152123
```

```

2 -1.00000 197352
3  0.00000 152232
4  1.00000 193740

```



The plot command also produces some printed output in the text window, as shown above. This is a table of RSS as a function of the transformation parameter λ , evaluated at $\lambda \in (-1, 0, 1)$ and at the value of λ that minimizes RSS , obtained by solving a nonlinear regression problem. In the example $\hat{\lambda} = 0.05 \approx 0$, so the log-transform for Dbh is suggested. See `?invTranPlot` for arguments you can use to control this plot.

The function `invTranEstimate` can be called directly to get the optimal λ without drawing the graph,

```
unlist(with(ufcwc, invTranEstimate(Dbh,Height)))
```

```

lambda lowerCI upperCI
0.04788 -0.16395 0.25753

```

The minimum value of $RSS = 152,123$. The `unlist` command made the output prettier.

The command `bcPower` is used by `invTranEstimate` and by `invTranPlot` to compute Box-Cox power transformations. The form of this command is

```
bcPower(U, lambda, jacobian.adjusted=FALSE)
```

where `U` is a vector, matrix or data frame, `lambda` is the transformation parameter. If `U` is a vector, then `lambda` is just a number, usually in the range from -2 to 2 ; if `U` is a matrix or a data, frame, then `lambda` is a vector of numbers. The function returns $\psi_S(U, \lambda)$, as defined at ALR[E8.3]. If you set `jacobian.adjusted=TRUE` then $\psi_M(U, \lambda)$, from ALR[E8.5], is returned.

The `yjPower` command is similar but uses the Yeo-Johnson family $\psi_{YJ}(U, \lambda)$, ALR[7.4]. Finally, use `basicPower` for the power transformations $\psi(U, \lambda)$. For example, to plot a response Y versus $\psi_M(U, 0)$, type

```
plot(bcPower(U, 0, jacobian.adjusted=FALSE), Y)
```

8.2 A General Approach to Transformations

The `powerTransform` function in the `car` package is the central tool for helping to choose predictor transformations. For the `highway` data, ALR[T8.2] is obtained by

```
Highway$sigs1 <- with(Highway, (sigs * len + 1)/len)
summary(powerTransform(cbind(len, adt, trks, shld, sigs1) ~ 1, Highway))
```

`bcPower` Transformations to Multinormality

	Est.Power	Std.Err.	Wald Lower Bound	Wald Upper Bound
len	0.1437	0.2127	-0.2732	0.5607
adt	0.0509	0.1206	-0.1854	0.2872
trks	-0.7028	0.6177	-1.9134	0.5078
shld	1.3456	0.3630	0.6341	2.0570

```
sigs1  -0.2408  0.1496          -0.5341          0.0525
```

Likelihood ratio tests about transformation parameters

	LRT	df	pval
LR test, lambda = (0 0 0 0 0)	23.324	5	0.0002926
LR test, lambda = (1 1 1 1 1)	132.857	5	0.0000000
LR test, lambda = (0 0 0 1 0)	6.089	5	0.2976931

The first argument `powerTransform` can alternatively be a vector, matrix or data frame; see `?powerTransform` for the details

8.2.1 Transforming the Response

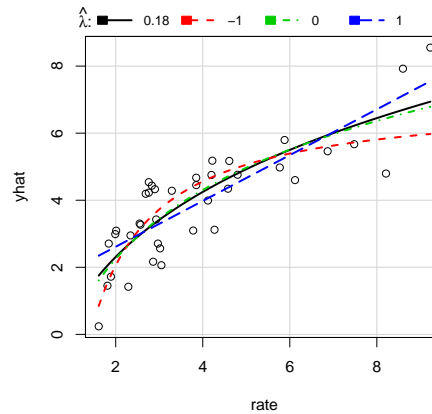
ALR[8.3] presents two complementary approaches to selecting a response transformation, using an inverse response plot, and using the Box-Cox method but applied to the response, not the predictors. In either case, first fit the model of interest, but with the response untransformed:

```
m2 <- lm(rate ~ log(len) + log(adt) + log(trks) + shld + log(sigs1) + slim, Highway)
```

The inverse response plot is drawn with

```
inverseResponsePlot(m2)
```

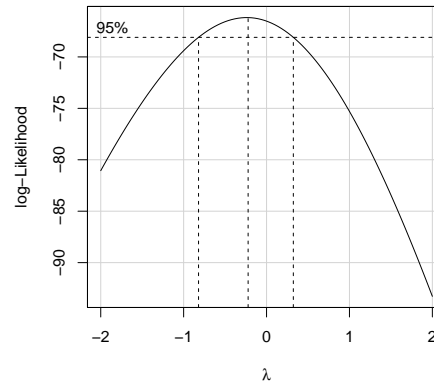
	lambda	RSS
1	0.1846	30.62
2	-1.0000	34.72
3	0.0000	30.73
4	1.0000	32.46



As with the inverse transformation plot, the values of RSS for the displayed curves are shown in the text window. In the example the value of $\hat{\lambda} = 0.18$ minimizes RSS , but from ALR[F8.7A] there is little to distinguish using this value of λ from the simpler case of $\lambda = 0$, meaning that the fitted curves for these two values of λ match the data nearly equally well. The log-transform is therefore suggested.

The `boxcox` function in the MASS package can be used to get ALR[F8.7B],

```
boxCox(m2)
```



This plot shows the *log-likelihood profile* function for λ . The estimator maximizes this function¹. If $L(\hat{\lambda})$ is the value of the log-likelihood at $\hat{\lambda}$, then a 95% confidence interval for the λ is the set λ for which $L(\lambda) \geq L(\hat{\lambda}) - 1.92$. You can get the interval printed using

```
summary(powerTransform(m2))
```

```
bcPower Transformation to Normality
```

	Est.Power	Std.Err.	Wald Lower Bound	Wald Upper Bound
Y1	-0.2384	0.2891	-0.805	0.3282

```
Likelihood ratio tests about transformation parameters
```

	LRT	df	pval
--	-----	----	------

¹`boxCox` is in the `car` package. It is based on a very similar function called `boxcox` in the base R, and adds the ability to use other families besides the Box-Cox power family.

```
LR test, lambda = (0)  0.6884  1 4.067e-01
LR test, lambda = (1) 18.2451  1 1.942e-05
```

8.4 Transformations of Nonpositive Variables

The transformation functions in `car`, `powerTransform`, `inverseResponsePlot` and `invTranPlot`, have an argument `family`, and setting `family="yjPower"` will use the Yeo-Johnson transformation family `ALR[E8.8]` in place of the Box-Cox family.

8.5 Additive Models

8.6 Problems

CHAPTER 9

Regression Diagnostics

R has several functions for working with a fitted model. For example, with the `rat` data,

```
m1 <- lm(y ~ BodyWt + LiverWt + Dose, rat)
```

we can get:

predictions or fitted values using the `predict` function, for example

```
predict(m1)
      1      2      3      4      5      6      7      8      9     10     11
0.2962 0.3391 0.5359 0.3306 0.2977 0.3129 0.3134 0.3604 0.3177 0.3828 0.3501
```


12	13	14	15	16	17	18	19
0.3176	0.3082	0.3071	0.3084	0.3388	0.3184	0.3093	0.3253

gives predicted weights for the 19 rats in the data. See `?predict.lm` for all the available arguments for this helper function.

residuals can be obtained using several functions (see also `COMPANION[6.1]`). Ordinary residuals, given by $\hat{\epsilon} = y - \hat{y}$ are obtained with `residuals(m1)`. The Pearson residuals, the preferred residuals in ALR, are obtained by `residuals(m1, type="pearson")`. The standardized residuals `ALR[E9.18]` and Studentized residuals `ALR[E9.19]` are obtained with the `rstandard` and `rstudent` functions, respectively.

leverages defined at `ALR[E9.12]` are returned by the function `hatvalues`.

Cook's distance defined in `ALR[9.5]`, are returned by the function `cooks.distance`.

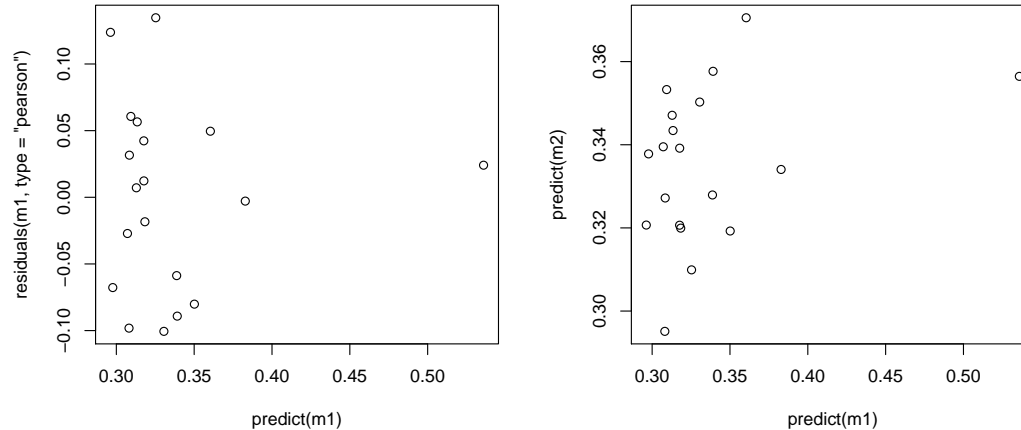
influence The function call `influence(m1, do.coef=TRUE)$coefficients` returns a matrix whose i -th row is $\beta_{(i)}$.

You can use these quantities in graphs or for any other purpose. For example,

```
press <- residuals(m1) / (1 - hatvalues(m1))
```

computes and saves the PRESS residuals, `ALR[P8.4]`.

```
par(mfrow=c(1,2))
plot(predict(m1), residuals(m1, type="pearson"))
m2 <- update(m1, ~ . - Dose)
plot(predict(m1), predict(m2))
```



This displays two plots, one of Pearson residuals versus fitted values and the second of fitted values from two models. Both of these plots could benefit from additions such as point identification, adding a horizontal line at the origin in the right plot, and adding a 45° line in the second plot.

The `car` package includes a number of functions that draw graphs related to diagnostic analysis, and 2 of these are particularly useful for the material in ALR:

residualPlots This function is for basic residual plotting (see also COMPANION[6.2.1]). Here are some of the variations:

```
residualPlot(m1) # Pearson residuals versus fitted values
residualPlots(m1) # array of plots of Pearson residuals versus each regressor
residualPlots(m1, ~ BodyWt, fitted=FALSE) # Pearson residuals versus BodyWt
```

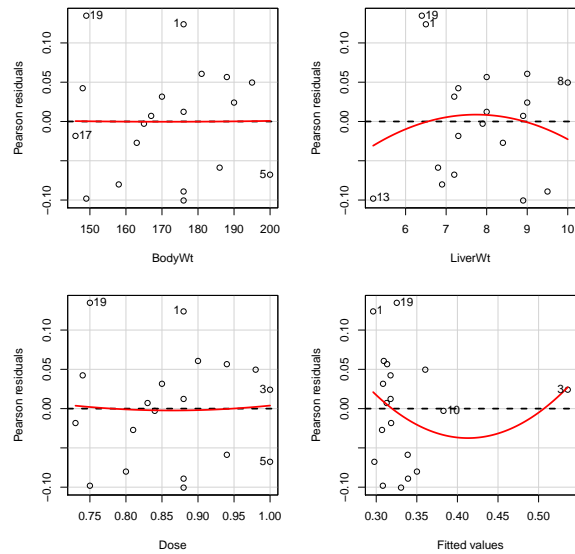
Plots against splines or polynomials plot versus the predictor that defined the regressors. Plots

versus factors are boxplots of the Pearson residuals. This function also computes and displays the curvature tests described in ALR[9.2].

As with almost all plots in the `car` package, you can use point identification:

```
residualPlots(m1, id.n=2, id.method=list("x", "y"))
```

	Test stat	Pr(> t)
BodyWt	0.019	0.985
LiverWt	-0.576	0.574
Dose	0.144	0.887
Tukey test	0.932	0.351

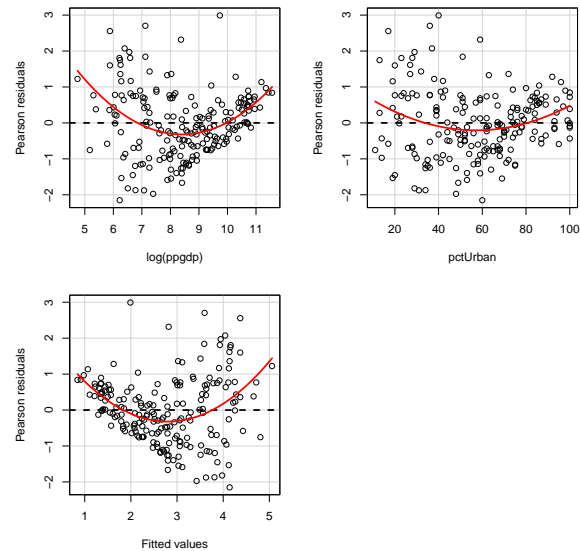


In this example setting `id.n=2`, `id.method=list("x", "y")` will identify the two most extreme points in the y , or horizontal direction, and the two most extreme in the x or vertical direction. The latter is required to label to point with the very large fitted value.

As a second example, `ALR[F9.5]` is obtained from

```
m2 <- lm(fertility ~ log(ppgdp) + pctUrban, UN11)
residualPlots(m2)
```

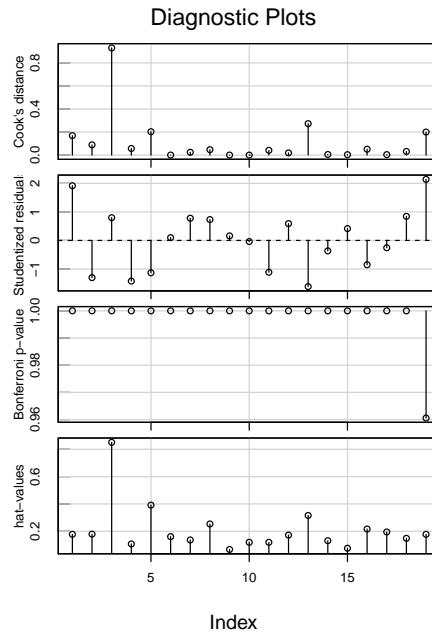
	Test stat	Pr(> t)
log(ppgdp)	5.407	0.000
pctUrban	3.287	0.001
Tukey test	5.420	0.000



In this example all three curvature tests have very small significance levels, leading to the conclusion that the model fits poorly.

influenceIndexPlot plots Cook's distance, Studentized residuals, Bonferroni significance levels to testing each observation in turn to be an outlier, and leverage values, or a subset of these, versus observation number (see also COMPANION[6.3.2]).

```
influenceIndexPlot(m1)
```

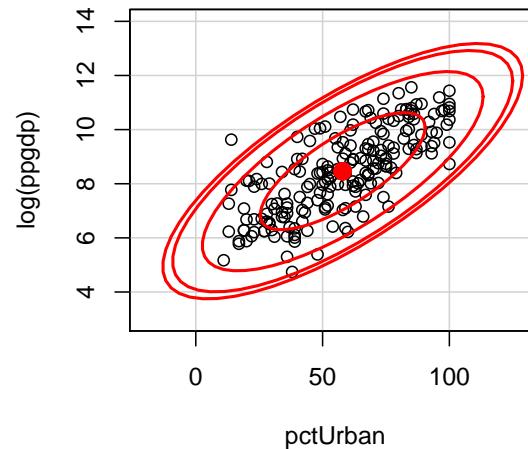


9.1 The Residuals

9.1.2 The Hat Matrix

The code for ALR[F9.1] is

```
n <- dim(UN11)[1]
levs <- pf(99*c(.01, .03, .05, .07), 2, n) - 1/n
with(UN11, dataEllipse(pctUrban, log(ppgdp),
  levels=levs - 1/n, xlim=c(-20, 130), ylim=c(3, 14)))
```



First `n` is set to the sample size, and `levs` are the quantiles of the $F(2, n)$ distribution corresponding to the values shown. The `dataEllipse` function in `car` (see also COMPANION[4.3.8]) is used to draw the ellipses. To identify and mark points interactively, the command

```
with(UN11, identify(pctUrban, log(ppgdp), rownames(UN11)))
```

can be used. Read `?identify` before trying this! (See also COMPANION[4.3.5].)

The hat-matrix \mathbf{H} is rarely computed in full because it is an $n \times n$ matrix that can be very large. Its diagonal entries, the leverages, are computed simply by `hatvalues(m1)` for a model `m1`. Should you wish to compute \mathbf{H} in full, you can use the following commands. First, suppose that X is an $n \times p$ matrix. Then

```
decomp <- qr(cbind(rep(1,n),X))
Hat <- qr.Q(decomp) %*% t(qr.Q(decomp))
```

The use of `qr` and `qr.Q` is probably nonintuitive, so here is an explanation. First, append a column of ones to X for the intercept. Then, compute the QR decomposition, ALR[A.9], of the augmented matrix. The helper function `qr.Q` returns Q , and the second command is just ALR[EA.27].

9.1.3 Residuals and the Hat Matrix with Weights

As pointed out in ALR[8.1.3], the residuals for WLS are $\sqrt{w_i} \times (y_i - \hat{y}_i)$. Whatever computer program you are using, you need to check to see how residuals are defined.

The correct residuals for WLS using R are given by `residuals(m1,type="pearson")`. These are also correct for OLS, and so these should always be used in graphical procedures. The `hatvalues` function will return the correct leverages including the weights.

9.2 Testing for Curvature

The function `residualPlots` illustrated on page 89 implements the curvature tests described in ALR[9.2].

9.3 Nonconstant Variance

The function `ncvTest` described in Section 7.2.2 can be used to test for nonconstant variance.

9.4 Outliers

The function `outlierTest` returns the values of the outlier test (the Studentized residuals) and the corresponding Bonferroni-corrected p -values for outlier testing (see also COMPANION[6.3]).

```
m2 <- lm(fertility ~ log(ppgdp) + pctUrban, UN11)
outlierTest(m2)
```

No Studentized residuals with Bonferonni $p < 0.05$

Largest |rstudent|:

	rstudent	unadjusted p-value	Bonferonni p
Equatorial Guinea	3.339	0.001007	0.2005

9.5 Influence of Cases

Cook's distance is computed with the `cooks.distance` function and displayed in an index plot in the `influenceIndexPlot` (e.g., ALR[F9.9] function).

ALR[F9.7] is a complex graph, and we describe how it is obtained. The data in the plot are the values of $\hat{\beta}_{(i)}$, the estimated coefficient estimates computed after deleting the i th case, for $i = 1, \dots, n$. These are obtained in R using

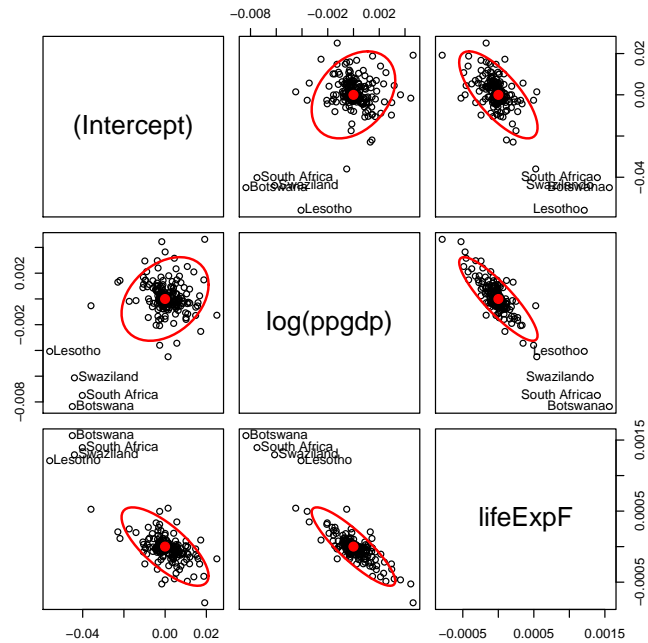
```
m1 <- lm(log(fertility) ~ log(ppgdp) + lifeExpF, UN11)
betahat.not.i <- influence(m1)$coefficients
```

The plot was drawn using the `pairs` function, which has an argument `panel` that tells `pairs` what to plot.

```
panel.fun <- function(x, y, ...){
  points(x, y, ...)
  dataEllipse(x, y, plot.points=FALSE, levels=c(.90))
  showLabels(x, y, labels=rownames(UN11),
            id.method="mahal", id.n=4)}
```

The panel function will use the `points` function to plot the points, the `dataEllipse` function from `car` to draw the ellipse, and the `showLabels` function from `car` to label the extreme points. The plot is finally drawn with

```
pairs(betahat.not.i, panel=panel.fun)
```



9.6 Normality Assumption

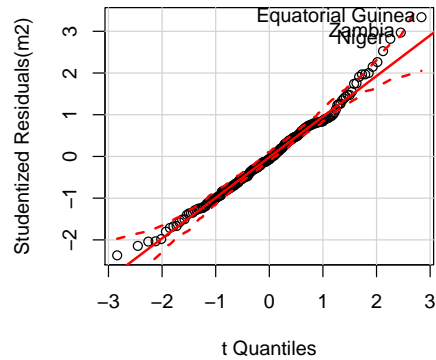
The function `qqPlot` in the `car` package can be used to get normal probability plots with the simulated envelopes by default, or other quantile-quantile plots for other distributions (see also `COMPANION`[6.3.1]). For example, for the UN data regression set up in the last section,

```
qqPlot(m2, id.n=3)
```

```

Niger                Zambia Equatorial Guinea
  197                 198                   199

```



The `qqPlot` function uses Studentized residuals, not Pearson residuals.

CHAPTER 10

Variable Selection

10.1 Variable Selection and Parameter Assessment

The colinearity diagnostic R_{X_1, X_2}^2 is related to the vif function in `car`; see Section 4.1.5.

10.2 Variable Selection for Discovery

10.2.1 Information Criteria

The information criteria ALR[E10.6–E10.7] depend only on the RSS, p' , and possibly an estimate of σ^2 , and so if these are needed for a particular model, they can be computed from the usual summaries

available in a fitted regression model. In addition, the `extractAIC` can be used to compute AIC and BIC. For a fitted subset model `m0` and a fitted larger model `m1`, the following commands extract these quantities:

```
extractAIC(m0, k=2) # for AIC
extractAIC(m0, k=log(length(residuals(m0)))) # for BIC
```

10.2.2 Stepwise Regression

The Furnival and Wilson leaps and bounds algorithm mentioned in ALR[10.2.2] is implemented in the `leaps` function in the `leaps` package. Because of the limitations to this algorithms described in ALR, and the relatively difficult to use interface in the implementation in R, most users will not find the all-possible regression approach useful.

The `step` function in base R can be used for the stepwise approach outlined in ALR[10.2.2] (see also COMPANION[4.5]).

```
args(step)

function (object, scope, scale = 0, direction = c("both", "backward",
  "forward"), trace = 1, keep = NULL, steps = 1000, k = 2,
  ...)
NULL
```

The values of these argument depend on whether forward, backward, or stepwise fitting is to be used. As an example, we use the `highway` data.

```
Highway$sigs1 <- with(Highway, (sigs * len + 1)/len)
f <- ~ log(len) + shld + log(adt) + log(trks) + lane + slim + lwid +
  itg + log(sigs1) + acpt + htype
```

The above commands created the variable `sigs1` used in the text. The variable `f` is a one-sided formula that will be used below both to update models and as an argument to the `step` function.

Forward Stepwise

Recalling that `len` is to be included in all models, forward selection is specified by

```
m0 <- lm(log(rate) ~ log(len), Highway) # the base model
m.forward <- step(m0, scope=f, direction="forward")
```

```
Start:  AIC=-72.51
log(rate) ~ log(len)
```

	Df	Sum of Sq	RSS	AIC
+ slim	1	2.547	2.94	-94.9
+ acpt	1	2.101	3.38	-89.4
+ shld	1	1.707	3.78	-85.1
+ log(sigs1)	1	0.961	4.52	-78.0
+ htype	3	1.340	4.14	-77.4
+ log(trks)	1	0.728	4.76	-76.1
+ log(adl)	1	0.429	5.06	-73.7
<none>			5.48	-72.5
+ lane	1	0.263	5.22	-72.4
+ itg	1	0.217	5.27	-72.1
+ lwid	1	0.185	5.30	-71.8

```
Step:  AIC=-94.87
log(rate) ~ log(len) + slim
```

	Df	Sum of Sq	RSS	AIC
+ acpt	1	0.288	2.65	-96.9
+ log(trks)	1	0.263	2.67	-96.5
<none>			2.94	-94.9
+ log(sigs1)	1	0.147	2.79	-94.9

+ htype	3	0.336	2.60	-93.6
+ shld	1	0.033	2.90	-93.3
+ log(adtl)	1	0.026	2.91	-93.2
+ lwid	1	0.017	2.92	-93.1
+ lane	1	0.003	2.93	-92.9
+ itg	1	0.003	2.93	-92.9

Step: AIC=-96.9

log(rate) ~ log(len) + slim + acpt

	Df	Sum of Sq	RSS	AIC
+ log(trks)	1	0.1729	2.48	-97.5
<none>			2.65	-96.9
+ log(sigs1)	1	0.1201	2.53	-96.7
+ shld	1	0.0346	2.61	-95.4
+ log(adtl)	1	0.0152	2.63	-95.1
+ lane	1	0.0149	2.63	-95.1
+ itg	1	0.0135	2.63	-95.1
+ lwid	1	0.0126	2.64	-95.1
+ htype	3	0.2175	2.43	-94.2

Step: AIC=-97.53

log(rate) ~ log(len) + slim + acpt + log(trks)

	Df	Sum of Sq	RSS	AIC
<none>			2.48	-97.5
+ shld	1	0.0653	2.41	-96.6
+ log(sigs1)	1	0.0506	2.42	-96.3
+ log(adtl)	1	0.0312	2.44	-96.0
+ htype	3	0.2595	2.22	-95.9

```

+ lwid      1      0.0190 2.46 -95.8
+ itg       1      0.0110 2.46 -95.7
+ lane      1      0.0033 2.47 -95.6

```

The first segment of the above output matches ALR[T10.1], except BIC was added to the table. Each step deletes the regressor or term that will make the greatest decrease the criterion function AIC unless all such deletions increase AIC. `m.forward` will be the model when the stepwise fitting ends (that is, adding another term would increase AIC). If `trace=0` the output for each step is suppressed.

Backward Elimination

```

m1 <- update(m0, f)
m.backward <- step(m1, scope = c(lower = ~ log(len)), direction="backward")

```

The model `m1` includes all the regressors. The lower `scope` includes `log(len)`, so this must be included in all models. There is also an upper `scope`, and since it is not specified it is all the regressors. Had the lower `scope` not been specified the default would be `lower = ~ 1`, the model with no regressors.

Stepwise

R uses `direction = "both"`, the default, for stepwise regression. There are two variations, starting with the null model,

```

m.stepup <- step(m0, scope=f)

```

and starting with all the regressors,

```

m.stepdown <- step(m1, scope = c(lower = ~ log(len)))

```

The argument `k=2` is used if AIC is to be used as the criterion; `k=log(n)`, where n is the sample size will use BIC. The argument `scale` is rarely used with linear models.

10.2.3 Regularized Methods

The regularized methods briefly described in ALR[10.2.3] are the only methods in the first 11 chapters of ALR that use a method other than OLS or WLS to get estimates. They are designed specifically for the problem of prediction, and they can be shown to give smaller prediction errors if sample sizes are large enough, and the data are like the data that will be observed in the future.

The lasso and elastic net methods can be computed in R using the `glmnet.cv` function in the `glmnet` package (Simon et al., 2011). The `alr4` provides a convenience function called `Glmnet.cv` that allows you to use the syntax for a formula that is used with `lm`, and then translate your input into commands necessary to run `glmnet.cv`.

The `randomForest` package is described by Liaw and Wiener (2002).

10.3 Model Selection for Prediction

10.3.1 Cross Validation

10.4 Problems

11.1 Estimation for Nonlinear Mean Functions

11.3 Starting Values

The command `nls` is used to obtain OLS and WLS estimates for nonlinear regression models with a command like

```
n1 <- nls(formula, data, start)
```

`nls` differs from `lm` in a few key respects:

1. The `formula` argument for defining a model is different. In `lm`, a typical formula is $Y \sim X1 + X2 + X3 + X4$. This formula specifies the names of the response and the regressors, but parameters do not appear. This causes no particular problem with linear models. If $X1$ is a variate there is one corresponding parameter, while if it is a factor, polynomial, interaction or spline there are rules to determine the parameters from the model specification.

For a `nls` model, the formula specifies *both* regressors and parameters. A typical example might be

$$Y \sim \text{th1} + \text{th2} * (1 - \exp(-\text{th3} * x))$$

In this case there are three parameters, `th1`, `th2` and `th3`, but only one term, `x`. The right-hand side formula should be an expression of parameters, terms, and numbers that can be evaluated by the computer language C.

2. The `data` argument provides the name of the data frame with the relevant data, the same as for `lm`.
3. A named list `start` of *starting values* must be specified. This serves the dual purpose of telling the algorithm where to start, and also to name the parameters. For the example, `start=list(th1=620, th2=200, th3=10)` indicates that `th1`, `th2` and `th3` are parameters, and so by implication the remaining quantity, `x`, must be a regressor.
4. The data frame must contain the regressors, not predictors that define the regressors. In particular, `nls` does not permit factors.
5. Most iterative algorithms for nonlinear least squares require computation of derivatives, and many programs require the user to provide formulas for the derivatives. This is not the case in `nls`; all derivatives are computed using numerical differentiation.

Here is the input leading to ALR[T11.2]

```
n1 <- nls(Gain ~ th1 + th2*(1 - exp(-th3 * A)), data=turk0,
         start=list(th1=620, th2=200, th3=10))
summary(n1)
```

```
Formula: Gain ~ th1 + th2 * (1 - exp(-th3 * A))
```

```
Parameters:
```

	Estimate	Std. Error	t value	Pr(> t)
th1	622.96	5.90	105.57	< 2e-16
th2	178.25	11.64	15.32	2.7e-16
th3	7.12	1.21	5.91	1.4e-06

```
Residual standard error: 19.7 on 32 degrees of freedom
```

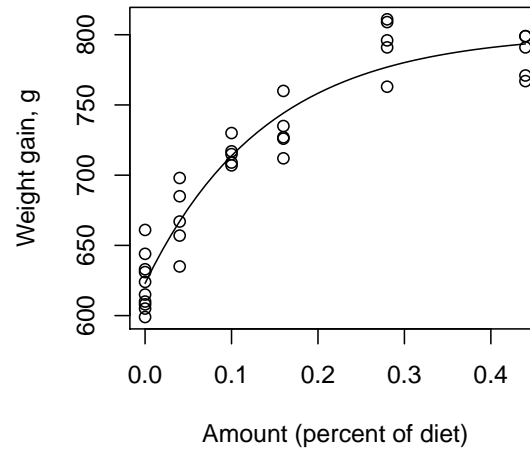
```
Number of iterations to convergence: 4
```

```
Achieved convergence tolerance: 1.48e-06
```

We called `nls` with the required arguments of a formula and starting values. In addition, we specified a data frame. R has many other arguments to `nls`, including several that are identical with arguments of the same name in `lm`, including `subset` for selecting cases, `weights` for using WLS, and `na.action` for setting the missing value action. A few arguments are used to change the details of the computing algorithm; see the help page for `nls`.

Similar to an object created by the `lm` command, objects created by `nls` have `summary`, `plot` and `predict` methods, and these are used in a way that is similar to linear regression models. For example, `ALR[F11.2]` is obtained by

```
plot(Gain ~ A, turk0, xlab="Amount (percent of diet)", ylab="Weight gain, g")
x <- (0:44)/100
lines(x, predict(n1, data.frame(A=x)))
```



Lack-of-fit testing is possible if there are repeated observations. The idea is to compare the nonlinear fit to the one-way analysis of variance, using the levels of the predictor as a grouping variable:

```
m1 <- lm(Gain ~ as.factor(A), turk0)
anova(n1,m1)
```

Analysis of Variance Table

```
Model 1: Gain ~ th1 + th2 * (1 - exp(-th3 * A))
```

```
Model 2: Gain ~ as.factor(A)
```

```
Res.Df Res.Sum Sq Df Sum Sq F value Pr(>F)
```

```

1      32      12367
2      29      9824  3    2544      2.5  0.079

```

The model `m1` is a linear model, while `n1` is a nonlinear model. Even so, the `anova` will correctly compare them, giving the F test for lack of fit.

Factors

Factors and other multi-degree of freedom regressors cannot be used directly when using `nls`. For factors, the corresponding sets of dummy variables must be used in place of the factor. The variable `S` in the `turkey` data frame is an indicator or source of the additive, with levels 1, 2 or 3. We first convert `S` to a factor and then to a set of 3 dummy indicators for the three levels.

```

temp <- model.matrix( ~ as.factor(S) -1, turkey)
colnames(temp) <- c("S1", "S2", "S3")
turkey <- cbind(turkey, temp)

```

The `model.matrix` command creates the necessary regressors for the one-sided formula specified. We converted `S` to a factor, and removed the intercept with the `-1`. The column names were corrected, and then the new columns were added to the data frame.

The code for fitting the four models using WLS is given next. The vector `m` is the number of pens at each treatment combination, and is the vector of weights for this problem, `S` is the factor, and `Gain` is the response variable.

```

# fit the models
m4 <- nls( Gain ~ (th1 + th2*(1-exp(-th3*A))),
          data=turkey, start=list(th1=620, th2=200, th3=10),
          weights=m)
# most general
m1 <- nls( Gain ~ S1*(th11 + th21*(1-exp(-th31*A)))+
          S2*(th12 + th22*(1-exp(-th32*A)))+

```

```

        S3*(th13 + th23*(1-exp(-th33*A))),
data=turkey,
start= list(th11=620, th12=620, th13=620,
            th21=200, th22=200, th23=200,
            th31=10, th32=10, th33=10),
weights=m)
# common intercept
m2 <- nls(Gain ~ th1 +
          S1*(th21*(1-exp(-th31*A)))+
          S2*(th22*(1-exp(-th32*A)))+
          S3*(th23*(1-exp(-th33*A))),
data=turkey,
start= list(th1=620,
            th21=200, th22=200, th23=200,
            th31=10, th32=10, th33=10),
weights=m)
# common intercept and asymptote
m3 <- nls( Gain ~ (th1 + th2 *(
          S1*(1-exp(-th31*A))+
          S2*(1-exp(-th32*A))+
          S3*(1-exp(-th33*A))))),
data=turkey,
start= list(th1=620, th2=200,
            th31=10,th32=10,th33=10),
weights=m)

```

In each of the models we had to specify starting values for all the parameters. The starting values we use essentially assume no group differences. Here are the `anova` tables to compare the models:

```
anova(m4, m2 ,m1)
```

Analysis of Variance Table

Model 1: Gain ~ (th1 + th2 * (1 - exp(-th3 * A)))

Model 2: Gain ~ th1 + S1 * (th21 * (1 - exp(-th31 * A))) + S2 * (th22 * (1 - exp(-th32 * A)))

Model 3: Gain ~ S1 * (th11 + th21 * (1 - exp(-th31 * A))) + S2 * (th12 + th22 * (1 - exp(-th32 * A)))

	Res.Df	Res.Sum Sq	Df	Sum Sq	F value	Pr(>F)
1	10	4326				
2	6	2040	4	2286	1.68	0.27
3	4	1151	2	889	1.54	0.32

```
anova(m4, m3, m1)
```

Analysis of Variance Table

Model 1: Gain ~ (th1 + th2 * (1 - exp(-th3 * A)))

Model 2: Gain ~ (th1 + th2 * (S1 * (1 - exp(-th31 * A)) + S2 * (1 - exp(-th32 * A)) + S3 * (1 - exp(-th33 * A))))

Model 3: Gain ~ S1 * (th11 + th21 * (1 - exp(-th31 * A))) + S2 * (th12 + th22 * (1 - exp(-th32 * A))) + S3 * (th13 + th23 * (1 - exp(-th33 * A)))

	Res.Df	Res.Sum Sq	Df	Sum Sq	F value	Pr(>F)
1	10	4326				
2	8	2568	2	1758	2.74	0.12
3	4	1151	4	1417	1.23	0.42

A simpler but less general approach to working with a factor uses the `nlsList` function in the `nlme` package.

```
library(nlme)
n2 <- nlsList(Gain ~ th1 + th2*(1 - exp(-th3 * A))|S, data=turkey,
             start=list(th1=620, th2=200, th3=10), pool=TRUE)
summary(n2)
```

Call:

```
Model: Gain ~ th1 + th2 * (1 - exp(-th3 * A)) | S
```


Data: turkey

Coefficients:

th1					
	Estimate	Std. Error	t value	Pr(> t)	
1	626.1	6.998	89.47	8.355e-05	
2	648.3	14.932	43.42	8.438e-03	
3	645.2	14.360	44.93	2.163e-02	
th2					
	Estimate	Std. Error	t value	Pr(> t)	
1	183.4	16.85	10.883	0.0056	
2	243.5	145.06	1.679	0.2103	
3	356.8	305.10	1.170	0.5838	
th3					
	Estimate	Std. Error	t value	Pr(> t)	
1	7.514	1.644	4.5698	0.03057	
2	2.706	2.659	1.0177	0.32767	
3	1.904	2.288	0.8324	0.68223	

Residual standard error: 7.502 on 4 degrees of freedom

This fit the same model to each level of **S** separately, giving the same fit at the model **m1**. Using the argument `pool=TRUE` used the pooled error in computing tests and standard errors, again equivalent to model **m1**.

11.4 Bootstrap Inference

The fitted model for the `segreg` data is

```
s1 <- nls(C ~ th0 + th1 * (pmax(0, Temp - gamma)), data=segreg,
          start=list(th0=70, th1=.5, gamma=40))
summary(s1)
```

```
Formula: C ~ th0 + th1 * (pmax(0, Temp - gamma))
```

```
Parameters:
```

	Estimate	Std. Error	t value	Pr(> t)
th0	74.695	1.343	55.61	< 2e-16
th1	0.567	0.101	5.64	2.1e-06
gamma	41.951	4.658	9.01	9.4e-11

```
Residual standard error: 5.37 on 36 degrees of freedom
```

```
Number of iterations to convergence: 2
```

```
Achieved convergence tolerance: 1.67e-08
```

The `pmax` function computes element by element maxima for vectors, so `pmax(0, Temp - gamma)` returns a vector of the same length as `Temp` and equal to `Temp` if `Temp - gamma > 0`, and 0 otherwise. The `summary` output matches ALR[T11.2].

A bootstrap can be done using the `Boot` function in the `car` package. For example, to get the bootstrap leading to ALR[F11.5], using R

```
set.seed(10131985)
s1.boot <- Boot(s1, R=999)
```

```
Number of bootstraps was 867 out of 999 attempted
```

Only 867 of 999 attempted bootstraps converged. For example, of all the cases in the bootstrap had large enough values of `Temp`, all values of γ smaller than the minimum observed `Temp` would give the same fitted model, so γ would not be estimable.

```
summary(s1.boot)
```

```
      R original bootBias bootSE bootMed
th0  867   74.695   0.2325  1.451  74.952
th1  867    0.567   0.0448  0.125   0.582
gamma 867   41.951   1.4724  4.722  42.609
```

This gives the sample size R , the OLS estimates, the difference between the OLS estimates and the average of the bootstrap estimates called the bootstrap bias), the standard deviation of the bootstraps, which estimates the standard error of the estimates, and the median of the bootstraps. The bootstrap standard errors are only slightly larger than the standard errors from asymptotic theory.

The `bca` confidence intervals are

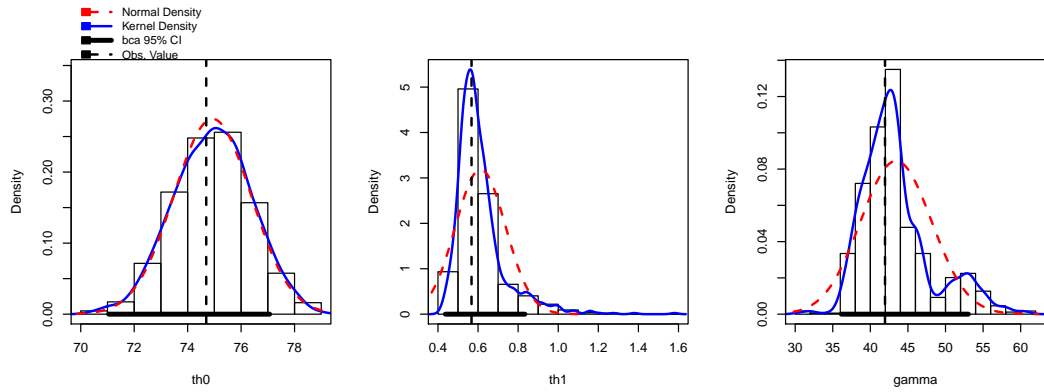
```
confint(s1.boot)
```

```
Bootstrap quantiles, type = bca
```

```
      2.5 %  97.5 %
th0  71.044 77.0674
th1   0.437 0.8338
gamma 36.144 53.0444
```

and histograms are given by

```
hist(s1.boot, layout=c(1, 3))
```



CHAPTER 12

Binomial and Poisson Regression

The `glm` Function

Binomial and Poisson regression are examples of *generalized linear models*. These models are fit in R using the `glm` function (see also COMPANION[5]). The usual form of calls to `glm` is

```
g1 <- glm(formula, family, data, weights, subset, na.action, start = NULL)
```

The arguments `data`, `weights`, `subset` and `na.action` are used in the same way they are used in `lm`. The `family` argument is new, and the `formula` argument is a little different than its use in `lm` or `nls`. There are a few other arguments, mostly modifying the computational algorithm, that are rarely needed.

Binomial Data

The R command leading to ALR[T12.1] is

```
g1 <- glm(cbind(died, m-died) ~ log(d), family=binomial, data=BlowBS)
```

The `formula` argument is `cbind(died, m-died) ~ log(d)`. The response for a binomial response is a matrix with the columns, the first column giving the number of successes, in this case the number of trees that blew down, and the second column the number of failures, here the number of survivors. The right-side of the formula is the linear predictor, in this model consisting only of the implied intercept and `log(d)`. The `family=binomial` argument specifies a binomial regression; the full version of this argument is `family=binomial(link="logit")` to get logistic regression; see `?family` for other standard link functions (see also COMPANION[T5.3]). The standard output is:

```
summary(g1)
```

Call:

```
glm(formula = cbind(died, m - died) ~ log(d), family = binomial,
     data = BlowBS)
```

Deviance Residuals:

Min	1Q	Median	3Q	Max
-1.898	-0.810	0.353	1.135	2.330

Coefficients:

	Estimate	Std. Error	z value	Pr(> z)
(Intercept)	-7.892	0.633	-12.5	<2e-16
log(d)	3.264	0.276	11.8	<2e-16

(Dispersion parameter for binomial family taken to be 1)

Null deviance: 250.856 on 34 degrees of freedom

```
Residual deviance: 49.891 on 33 degrees of freedom
AIC: 117.5
```

```
Number of Fisher Scoring iterations: 4
```

This output is very similar to `lm` output, as explained in ALR.

The fit summarized in ALR[T12.2] uses the data file `Blowdown`. In this data set the unit of analysis is a tree, which either survived or died. Fitting with this data file uses binomial regression,

```
g2 <- glm(y ~ (log(d) + s)^2, binomial, Blowdown, subset=spp=="balsam fir")
```

The response `y` has values 0 and 1¹. For binomial regression a matrix with first column the number of successes and second column the number of failures is not needed. The notation `(log(d) + s)^2` expands to `log(d) + s + log(d):s`, the second-order model.

Poisson Regression

The syntax is similar for Poisson regression models. For the model of ALR[T12.5],

```
p1 <- glm(count ~ (type + sex + citizen)^3, poisson, AMSsurvey)
```

The notation `(type + sex + citizen)^3` expands to the second-order model with all main-effects, two-factor and three-factor interactions.

Tests and Deviance

For a `glm` model, the deviance is returned by the `deviance` helper function,

```
c(dev=deviance(g2), df=df.residual(g2))
```

¹The response can also be a factor with two levels. The first level of the factor is considered to be a failure, and the other level a success.

```

dev    df
35.75 71.00

```

The functions `Anova`, `linearHypothesis` and `deltaMethod` work with generalized linear models just as they do with linear models, returning type II tests by default. For example, for `ALR[T12.3]`,

```

g3 <- glm(y ~ (log(d) + s + spp)^3 , binomial, Blowdown)
Anova(g3)

```

Analysis of Deviance Table (Type II tests)

```

Response: y
              LR Chisq Df Pr(>Chisq)
log(d)          228  1  < 2e-16
s                594  1  < 2e-16
spp              510  8  < 2e-16
log(d):s         42  1  1.1e-10
log(d):spp       72  8  2.1e-12
s:spp            36  8  1.4e-05
log(d):s:spp     20  8  0.0088

```

The tests produced are as discussed in `ALR[12.3]`.

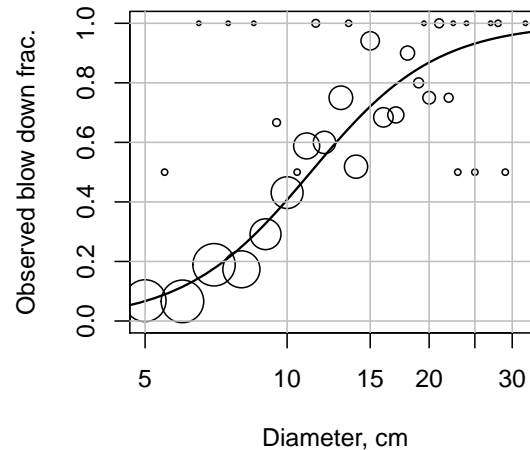
12.2 Binomial Regression

`ALR[F12.2]` was drawn with the following commands:

```

plot( I(died/m) ~ d, BlowBS, xlab="Diameter, cm", ylab="Observed blow down frac.",
      cex=.4*sqrt(m), log="x", ylim=c(0,1))
dnew <- seq(3, 40, length=100)
lines(dnew, predict(g1, newdata=data.frame(d=dnew), type="response"), lwd=1.5)
grid(col="gray", lty="solid")

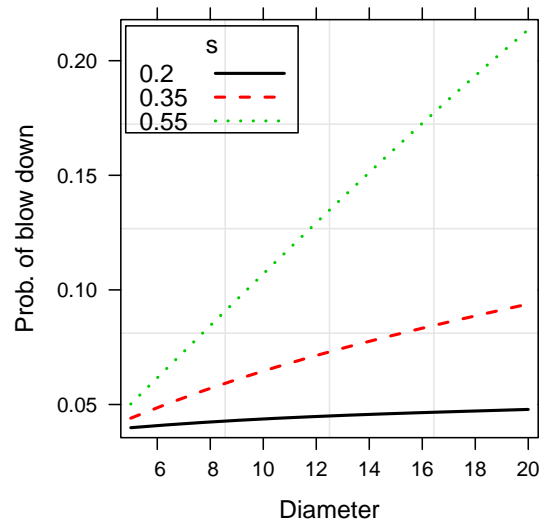
```

In the call to `plot` the identity function `I(died/m)` makes sure the R will compute the fraction of successes and not interpret the division sign as part of the formula. The `cex=.4*sqrt(m)` argument is used to set the size of the plotted symbols, in this case with radius proportional to \sqrt{m} , so the area of the plotted symbol is proportional to the sample size. The multiplier 0.4 was found through trial and error to match the size of the plot. The argument `log="x"` instructs plotting the horizontal of x -axis in log-scale. The vector `dnew` gives 100 equally spaced points between 3 and 40, and the `lines` function plots the fitted curve, using the `predict` function applied to the model `g1` computed above, at those points. The last command adds a gray grid to the plot.

The effects plot `ALRF12.3` is obtained by

```
e2 <- Effect(c("d", "s"), g2, xlevels=list(s=c(.2, .35, .55)))
plot(e2, multiline=TRUE, grid=TRUE,
     xlab="Diameter",main="", ylab="Prob. of blow down",
     rescale.axis=FALSE, rug=FALSE,
     key.args=list(corner=c(.02,.98)))
```



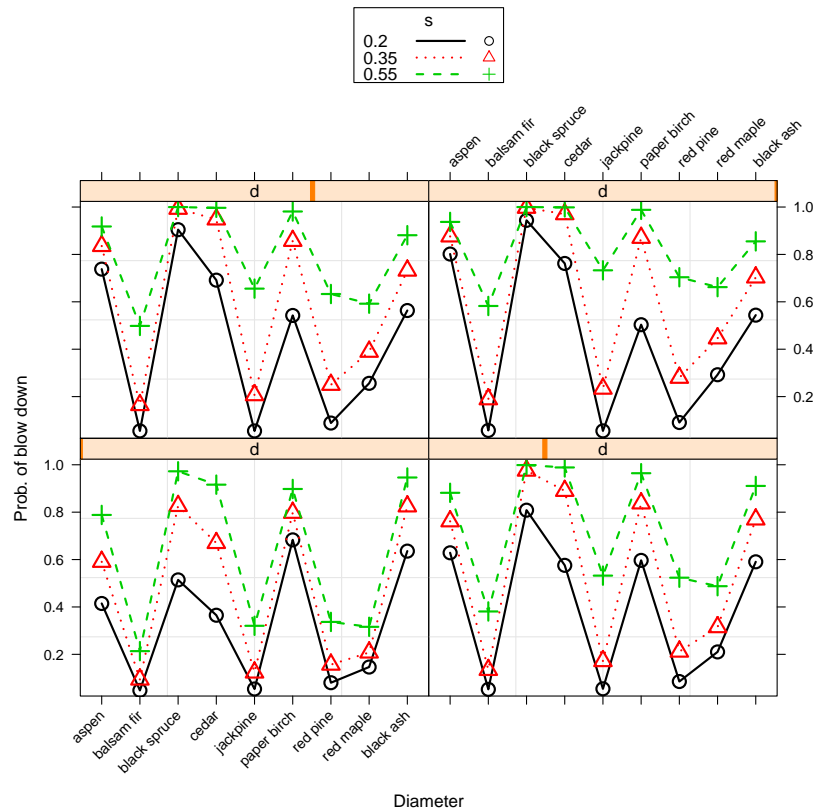
The model `g2` was computed above. The call to `Effect` tells R to compute effects for the highest order term including `c("d", "s")`, or for the `s:d` interaction. Since both of these regressors are continuous, `Effect` will use its default method for choosing discrete levels of the regressors to plot, but this modified by the next `xlevels` argument for the variable on the horizontal axis.

The `plot` function has a method for effects objects. `multiline=TRUE` will put all the estimated lines on one graph, rather than a separate graph for each line (`multiline=FALSE` is the default). The argument `rescale.axis` controls what is plotted on the vertical axis. If `rescale.axis=TRUE`, the default, then the vertical axis is *labeled with probabilities, but the tick marks are equally spaced in logit scale*. If `rescale.axis=FALSE`, as done in ALR[F12.3], then the vertical axis is *labeled with probabilities, and the tick marks are equally spaced in probability scale*. The documentation `?plot.eff` is unfortunately complex, and the best way to figure out what the arguments do is to try them and see.

The remaining arguments are `rug=FALSE`, which tells R to not include a so-called *rug plot*, which is a small marker in the horizontal axis for each of the observed values of the quantity plotted on the horizontal axis, and `key.args=list(corner=c(.02, .98))`, which in this case tells R to put the key 2% of the way from the vertical axis and 98% of the way from the horizontal axis.

The effects plot in ALR[F12.4] was computed using

```
e3 <- Effect(c("d", "s", "spp"), g3, xlevels=list(s=c(.2, .35, .55 )))
plot(e3, multiline=TRUE, grid=TRUE,
     xlab="Diameter", main="", lines=c(1, 3, 2), rotx=45,
     ylab="Prob. of blow down", rescale.axis=FALSE, rug=FALSE)
```

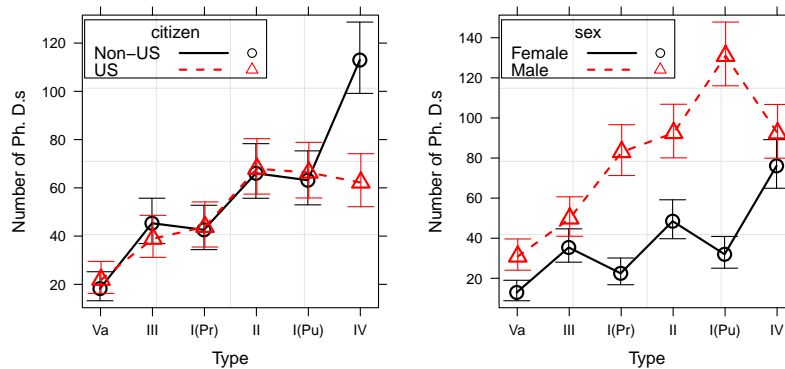


`lines=c(1, 3, 2)`, which changed the assignment of line types to levels of `s`, and `rotx=45` rotates the tick-mark labels on the horizontal axis by 45 degrees to prevent overprinting the labels.

12.3 Poisson Regression

The effects plot in ALR[F12.5] is computed as follows:

```
AMSsurvey$type <- factor(AMSsurvey$type, levels=levels(AMSsurvey$type)
  [order(xtabs(count ~ type, AMSsurvey))])
p2 <- glm(count ~ type*sex + type*citizen, poisson, AMSsurvey)
plot(Effect(c("type", "citizen"), p2), multiline=TRUE, ci.style="bars",
  main="", xlab="Type", ylab="Number of Ph. D.s", rescale.axis=FALSE,
  row = 1, col = 1, nrow = 1, ncol = 2, more = TRUE, grid=TRUE,
  key.args=list(corner=c(.02, .98)))
plot(Effect(c("type", "sex"), p2), multiline=TRUE, ci.style="bars",
  main="", xlab="Type", ylab="Number of Ph. D.s", rescale.axis=FALSE,
  row = 1, col = 2, nrow = 1, ncol = 2, more = FALSE, grid=TRUE,
  key.args=list(corner=c(.02, .98)))
```



The first command reordered the levels of `type` to be ordered according to the number of PhDs in each of the levels rather than alphabetically. The model `p2` fits with only the interactions and main-effects

of interest. There are several new features to the effects plots themselves. The function `Effect` is first called to get the highest-order effect based on `type` and `citizen`. The `ci.style="bars"` argument is used to display uncertainty using bars rather than lines. The set of arguments `row = 1, col = 1, nrow = 1, ncol = 2, more = TRUE` are used to allow drawing more than one graph in the same window. Because `plot.eff` uses `lattice` graphics doing this is somewhat obscure. The arguments here specify that the first plot is in row 1, column 1 of an array with `nrows=1` and `ncols=2`, and the more plots will be drawn. The second plot has `more=FALSE`.

A.5 Estimating $E(Y|X)$ Using a Smoother

A bewildering array of options are available for smoothing, both in the base programs, and in packages available from others. In ALR, we have almost always used the `loess` smoother or an older version of it called `lowess`¹. There is no particular reason to prefer this smoother over other smoothers. For the purposes to which we put smoothers, mainly to help us look at scatterplots, the choice of smoother is probably not very important.

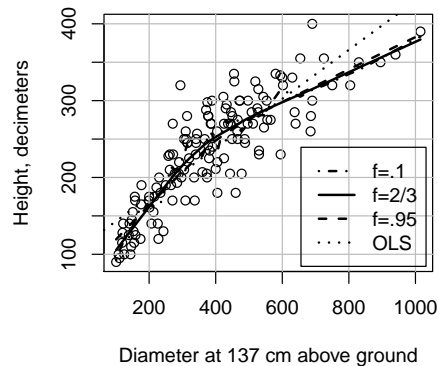
The important problem of choosing a smoothing parameter is generally ignored in ALR; one of the

¹`loess` and `lowess` have different defaults, and so they will give the same answers only if they are set to use the same tuning parameters.

nice features of `loess` is that choosing the smoothing parameter of about $2/3$ usually gives good answers. R have several methods for selecting a smoothing parameter; see the references given in ALR[A.5], for more information.

The `lowess` function is used to draw ALR[FA.1]

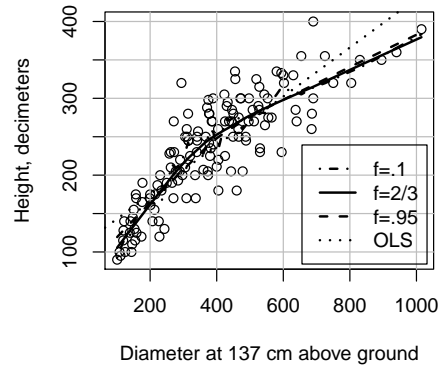
```
plot(Height ~ Dbh, ufcwc, xlab="Diameter at 137 cm above ground",
     ylab="Height, decimeters" )
grid(col="gray", lty="solid")
abline(lm(Height ~ Dbh, ufcwc), lty=3, lwd=2)
lines(lowess(ufcwc$Dbh, ufcwc$Height, iter=1, f=.1), lty=4, lwd=2)
lines(lowess(ufcwc$Dbh, ufcwc$Height, iter=1, f=2/3), lty=1, lwd=2)
lines(lowess(ufcwc$Dbh, ufcwc$Height, iter=1, f=.95), lty=2, lwd=2)
legend("bottomright", legend=c("f=.1", "f=2/3", "f=.95", "OLS"),
      lty=c(4, 1, 2, 3), lwd=2, inset=.02)
```



We have used the `lines` helper to add the `lowess` fits to the graph, with different values of the smoothing argument, `f`. We set the argument `iter` to one rather than the default value of three.

More or less the same figure can be obtained using `loess`.

```
with(ufcwc, {
  plot(Dbh, Height)
  abline(lm(Height ~ Dbh), lty=3)
  new <- seq(100, 1000, length=100)
  m1 <- loess(Height ~ Dbh, degree=1, span=.1)
  m2 <- loess(Height ~ Dbh, degree=1, span=2/3)
  m3 <- loess(Height ~ Dbh, degree=1, span=.95)
  lines(new, predict(m1, data.frame(Dbh=new)), lty=4, col="cyan")
  lines(new, predict(m2, data.frame(Dbh=new)), lty=1, col="red")
  lines(new, predict(m3, data.frame(Dbh=new)), lty=2, col="blue")
  legend(700, 200, legend=c("f=.1", "f=2/3", "f=.95", "OLS"),
        lty=c(4, 1, 2, 3))
})
```



`loess` expects a formula. `degree=1` uses local linear, rather than quadratic, smoothing, to match `lowess`. The `span` argument is like the `f` argument for `lowess`.

A.6 A Brief Introduction to Matrices and Vectors

(See also `COMPANION`[8.2].)

A.9 The QR Factorization

`R` computes the QR factorization using Lapack routines, or the slightly older but equally good Linpack routines. We illustrate the use of these routines with a very small example.

```
X <- matrix(c(1, 1, 1, 1, 2, 1, 3, 8, 1, 5, 4, 6), ncol=3,
            byrow=FALSE)
```

```
y <- c(2, 3, -2, 0)
```

```
X
```

```
      [,1] [,2] [,3]
[1,]    1    2    1
[2,]    1    1    5
[3,]    1    3    4
[4,]    1    8    6
```

```
y
```

```
[1]  2  3 -2  0
```

```
QR <- qr(X)
```

Here X is a 4×3 matrix, and y is a 4×1 vector. To use the QR factorization, we start with the command `qr`. This does not find Q or R explicitly but it does return a structure that contains all the information needed to compute these quantities, and there are helper functions to return Q and R :

```
qr.Q(QR)
```

```
      [,1]      [,2]      [,3]
[1,] -0.5 -0.27854  0.7755
[2,] -0.5 -0.46424 -0.6215
[3,] -0.5 -0.09285 -0.0605
[4,] -0.5  0.83563 -0.0935
```

```
qr.R(QR)
```

```
      [,1]      [,2]      [,3]
[1,]   -2 -7.000 -8.000
[2,]    0  5.385  2.043
[3,]    0  0.000 -3.135
```

Q is a 4×3 matrix with orthogonal columns, and R is a 3×3 upper triangular matrix. These matrices are rarely computed in full like this. Rather, other helper functions are used.

In the regression context, there are three helpers that return quantities related to linear regression, using ALR[EA.25–EA.27].

```
qr.coef(QR,y)
```

```
[1]  1.7325 -0.3509  0.0614
```

```
qr.fitted(QR,y)
```

```
[1]  1.0921  1.6886  0.9254 -0.7061
```

```
qr.resid(QR,y)
```

```
[1]  0.9079  1.3114 -2.9254  0.7061
```

`qr.coef` computes ALR[EA.26], `qr.fitted` computes the fitted values $QQ'y$, and `qr.resid` computes residuals $y - QQ'y$.

The `backsolve` command is used to solve triangular systems of equations, as described in ALR[A.9].

The basic linear regression routine `lm` uses the QR factorization to obtain estimates, standard errors, residuals and fitted values.

A.10 Spectral Decomposition

The spectral decomposition is computed with the `svd` function, which stands either for singular value decomposition or spectral decomposition. See the R documentation `?svd`.

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R functions

%%, 21

abline, 3, 4, 15

allEffects, 24, 31, 42

Anova, 36, 39, 50, 74

anova, 36, 38, 41, 68, 69

apply, 20

as.matrix, 21

avPlots, 17, 18

backsolve, 79

basicPower, 53

bcPower, 53, 54

Boot, 70

boxCox, 53

boxcox, 53, 56

Boxplot, 29

boxTidwell, 53

bs, vi

c, 9

coeftest, 50

colMeans, 9

confint, 11, 12, 22

cooks.distance, 57, 60

cor, 12, 20

cov, 9, 20

cov2cor, 10

crossprod, 9

crPlots, 53

- dataEllipse, 59, 61
- deltaMethod, 50, 51, 74
- describe, 20
- deviance, 73
- diag, 11
- dim, vii
- Effect, 23, 24, 26, 30, 75, 76
- effect, 24
- effects, 43
- extractAIC, 62
- factor, 27–29
- for, 46
- formula, 7
- glm, 72, 73
- Glmnet.cv, 65
- glmnet.cv, 65
- hatvalues, 57, 60
- hccm, 49, 50
- head, vii, 30
- help, v, vi
- I, 19, 31
- identify, 15
- influence, 57
- influenceIndexPlot, 60
- install.packages, 43, 50
- inverseResponsePlot, 56
- invResPlot, 53
- invTranEstimate, 54
- invTranPlot, 53, 54, 56
- jpeg, ix
- leaps, 62
- legend, 4
- length, 6
- library, vi, 43, 50
- linearHypothesis, 39
- linearHypothesis, 36, 39, 50, 74
- lines, 4, 74, 77
- lm, 3, 5, 7, 15, 18, 21, 22, 48, 65–67, 73, 79
- loess, 77, 78
- lowess, 5, 77, 78
- lsmeans, 36, 43, 44
- md.pattern, 35
- mean, 3, 6
- mgcv, 33
- model.matrix, 30, 68
- names, vii
- ncvTest, 50, 60
- nls, 66–68
- outlierTest, 60
- pairs, 5, 61
- par, 2
- pdf, ix
- pf, 45
- plot, 1, 2, 14, 15, 24–26, 35, 42, 54, 67, 74, 75
- plot.eff, 76
- pmax, 70
- points, 61
- poly, 19, 32
- polym, 33

- postscript, ix
 - powerTransform, 53, 55, 56
 - prcomp, 34
 - predict, 12–15, 22, 35, 49, 57, 67, 74
 - print, vii
 - qF, 11
 - qnorm, 11
 - qqPlot, 61
 - qr, 59, 79
 - qr.coef, 79
 - qr.fitted, 79
 - qr.Q, 59
 - qr.resid, 79
 - qt, 11
 - read.csv, ix
 - read.table, viii
 - relevel, 29
 - residualPlots, 14, 60
 - residuals, 14, 22, 48
 - rowMeans, 9
 - rstandard, 57
 - rstudent, 57
 - sample, 16
 - scale, 9, 34
 - scatterplot, 30, 54
 - scatterplotMatrix, 6
 - sd, 6, 20
 - set.seed, 31
 - showLabels, 61
 - sigmaHat, 10
 - solve, 21
 - some, 30
 - sqrt, 11
 - step, 62, 63
 - sum, v
 - summary, vii, 7, 8, 19, 20, 37, 67, 70
 - svd, 79
 - t, 21
 - tail, 30
 - tapply, 3, 6
 - transform, 5, 19
 - unlist, 54
 - var, 20
 - vcov, 10, 49, 50
 - vif, 25, 62
 - with, 2, 3
 - xyplot, 4
 - yjPower, 53, 55
- R packages
- alr4, iv, vi, viii, 1, 10, 18, 29, 43, 50, 65
 - car, iv–vi, 6, 10, 14, 17, 18, 24, 25, 29, 30, 36, 39, 49, 50, 52–56, 58, 59, 61, 62, 70
 - effects, iv, 23, 24, 43
 - foreign, viii, ix
 - glmnet, 65
 - lattice, 4, 76
 - leaps, 62
 - lmtest, 50
 - lsmeans, 36, 43
 - MASS, 53, 56

mice, 35
psych, 20
randomForest, 65
splines, vi, 33
xlsx, ix