QS101: Introduction to Quantitative Methods in Social Science

Week 18: Linear Regression

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February 27, 2015



Formatting

Plotting the Regression Line

Linear Regression with STATA



Formatting

... requires you to think about what the reader knows and wants to know

Plotting the Regression Line

This section draws heavily on Stimson, James A. (n.d.) Professional Writing in Political Science - A Highly opinionated Essay, available at http://www.unc.edu/~jstimson/Working_Papers_files/Writing.pdf



Designing Tables . . .

- ... requires you to think about what the reader knows and wants to know
- ► Tables should always be composed so that a reader can pick one up and understand its content, without having read the text.

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Plotting the Regression Line

 Professional type-setting practice in recent years has moved toward simplicity and away from extensive use of highlighting

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Captions

► The reader is asking, "Why am I looking at these numbers?", and the title should answer that question.

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Plotting the Regression Line

Note: Do not make it too fancy, it needs to be in plain English



▶ The stub is the leftmost column in which you name the indicators for which coefficients will be presented.

Plotting the Regression Line

The Stub

Outline

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Plotting the Regression Line

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Plotting the Regression Line

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- Never ever ever use computer variable names to stand for concepts (FU-BAR ...)

The Stub

- ▶ The stub is the leftmost column in which you name the indicators for which coefficients will be presented.
- Abbreviate nothing.
- Never ever ever use computer variable names to stand for concepts (FU-BAR . . .)
- Since interpreting an unstandardized coefficient requires us to know about the measurement of the indicators, then more information is better than less (e.g. "Income in \$ thousands" instead of "Income")

► Professional Consensus: varying number according to significance level

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- ▶ Basically up to you, as it is often more confusing than clarifying

▶ Figures are called "Figures", not graphs and not charts, and have captions beneath the picture.

Plotting the Regression Line

Figures

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- Coloured figures are not acceptable



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Plotting the Regression Line

- Coloured figures are not acceptable
- Make sure to define and distinguish lines



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Plotting the Regression Line

- Coloured figures are not acceptable
- Make sure to define and distinguish lines
- ▶ 50 shades of grey . . .

Figures

- ► Figures are called "Figures", not graphs and not charts, and have captions *beneath* the picture.
- Coloured figures are not acceptable
- Make sure to define and distinguish lines
- ▶ 50 shades of grey . . .
- Do not refer to particular colours

Sample Word Document





binscatter

▶ There is a very helpful command for this, install:

binscatter

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- ssc install binscatter



binscatter

- ▶ There is a very helpful command for this, install:
- ▶ ssc install binscatter
- ▶ If you need help with this package, type: help binscatter

binscatter (contd.)

Example: scatter c_fimngrs_dv c_tvhours

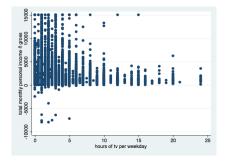


Figure: Scatter Plot: personal monthly income (gross), and hours of tv watched daily



binscatter (contd.)

Example: binscatter c_fimngrs_dv c_tvhours

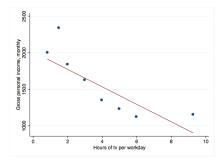


Figure: Linear Relationship between gross personal monthly income and tv hours watched daily



We need to stick to continuous variables for now for our analysis.

Task

- ▶ We need to stick to continuous variables for now for our analysis.
- ► These are:



Variable Selection for Today

- ▶ We need to stick to continuous variables for now for our analysis.
- ► These are:

Variable Name	Label	Wave
ibhrs	no. of hours normally worked per week	ABC
bttwt	minutes spent travelling to work	ABC
netuse	frequency of using the internet	ABC
nch14	resp number of children under 15 resp is responsible for	ABC
nnatch	number of biological children in household	ABC
nadoptch	number of adoptive children in household	ABC
nmar	number of marriages	A
volfreg	frequency of volunteering	- B -
volhrs	hours spent volunteering in last 4 weeks	- B -
charfreg	frequency donated to charity	- B -
charam .	amount given to charity last 12 months	- B -
howIng	hours per week on housework	- B -
tvhours	hours of tv per weekday	C

Task

▶ Perform some analysis with regards to how these variables are related to personal income



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- Use the binscatter command to do so



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- ► Compare your results to correlation coefficients (use **pwcorr**)

Task

- Perform some analysis with regards to how these variables are related to personal income
- Use the binscatter command to do so
- Compare your results to correlation coefficients (use **pwcorr**)
- Make sure to recode the variables as it is necessary



The Basic Command in Stata

▶ regress depvar indepvar



The Basic Command in Stata

- ▶ regress depvar indepvar
- Example: regress c_fimngrs_dv c_tvhours

Source	SS	d f	MS	
Model	2.8824e+09	1	2.8824e+09	
Residual		_	2665466.72	
Total			2728548.88	

Number of obs	=	45652
F(1, 45650)	=	1081.40
Prob > F	=	0.0000
R-squared	=	0.0231
Adj R-squared	=	0.0231
Root MSE	=	1632.6

c_rimngrs_av	Coet.	Sta. Err.	τ	P> T	[95% CONT.	Intervatj
c_tvhours	-119.5112	3.63426	-32.88	0.000	-126.6344	
_cons	2011.039	13.34122	150.74	0.000	1984.89	

Figure: Relationship between personal gross monthly income and tv hours watched daily



► Top left-hand is an ANOVA



Interpretation of Stata Output

- ► Top left-hand is an ANOVA
- ▶ The F-Value and the p-value are reported in the section on the top right



Interpretation of Stata Output

- ► Top left-hand is an ANOVA
- ▶ The F-Value and the p-value are reported in the section on the top right
- What do these tell us here?



► The first column lists the outcome variable *c_fimngrs_dv*

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- ► This is followed by the independent variable c_tvhours, and the constant _cons



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- ▶ The equation could be written as:



► The first column lists the outcome variable c_fimngrs_dv

Plotting the Regression Line

- ► This is followed by the independent variable c_tvhours, and the constant _cons
- The equation could be written as:

Gross, personal monthly income = 2011.039 - 119.5112 (hours)



Using the Equation

Gross, personal monthly income = 2011.039 - 119.5112 (hours)

Plotting the Regression Line

► A person not watching any telly would earn £2011.04



Using the Equation

Outline

Gross, personal monthly income = 2011.039 - 119.5112 (hours)

- ► A person not watching any telly would earn £2011.04
- A person watching 1 hour of telly would earn $2011.039 - 119.5112 \times 1 = 1891.53$



Gross, personal monthly income = 2011.039 - 119.5112 (hours)

- ► A person not watching any telly would earn £2011.04
- A person watching 1 hour of telly would earn $2011.039 - 119.5112 \times 1 = 1891.53$
- ► A person watching 2 hours of telly would earn $2011.039 - 119.5112 \times 2 = 2011.039 - 239.02 = 1772.02$

Significance

▶ Std. Err. gives you the standard error



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- t is calculated by dividing the regression coefficient by its standard error



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- Std. Err. gives you the standard error
- t is calculated by dividing the regression coefficient by its standard error
- ► Test of significance will be covered next week



Confidence Intervals

► This is the range within which the true slope is contained with 95% certainty



Confidence Intervals

- ► This is the range within which the true slope is contained with 95% certainty
- ▶ If it does not contain zero, the slope will be statistically significant



Outline

▶ We can show our regression line in graphical form with and without confidence intervals

Graphical Depiction

- We can show our regression line in graphical form with and without confidence intervals
- ► Type: twoway (lfitci c_fimngrs_dv c_tvhours)



Output

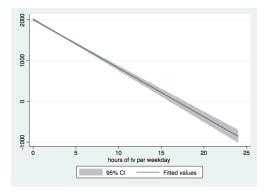


Figure: Predicted Relationship between gross personal monthly income and tv hours watched daily



Your Turn

- Perform 2 individual linear regression analyses, choosing one predictor from the list each
- Interpret the output
- Compose at least one regression prediction plot