

Contents

| | | |
|----------|--|-----------|
| 1 | Statistical Models | 1 |
| 1.1 | Introduction and Overview | 1 |
| 1.2 | Conventions for Describing Data | 1 |
| 1.3 | Plotting Data | 5 |
| 1.4 | Coding for Factors | 10 |
| 1.5 | Statistical Models Describe Both Random and Systematic Features of Data | 11 |
| 1.6 | Regression Models | 12 |
| 1.7 | Interpreting Regression Models | 16 |
| 1.8 | All Models Are Wrong, but Some Are Useful | 17 |
| 1.9 | The Purpose of a Statistical Model Affects How It Is Developed | 18 |
| 1.10 | Accuracy vs Parsimony | 19 |
| 1.11 | Experiments vs Observational Studies: Causality vs Association | 21 |
| 1.12 | Data Collection and Generalizability | 22 |
| 1.13 | Using R for Statistical Modelling | 23 |
| 1.14 | Summary | 24 |
| | Problems | 25 |
| | References | 29 |
| 2 | Linear Regression Models | 31 |
| 2.1 | Introduction and Overview | 31 |
| 2.2 | Linear Regression Models Defined | 31 |
| 2.3 | Simple Linear Regression | 35 |
| 2.3.1 | Least-Squares Estimation | 35 |
| 2.3.2 | Coefficient Estimates | 36 |
| 2.3.3 | Estimating the Variance σ^2 | 38 |
| 2.3.4 | Standard Errors of the Coefficients | 39 |
| 2.3.5 | Standard Errors of Fitted Values | 39 |

| | | |
|----------|---|-----------|
| 2.4 | Estimation for Multiple Regression | 40 |
| 2.4.1 | Coefficient Estimates | 40 |
| 2.4.2 | Estimating the Variance σ^2 | 42 |
| 2.4.3 | Standard Errors | 42 |
| * 2.5 | Matrix Formulation of Linear Regression Models | 43 |
| * 2.5.1 | Matrix Notation | 43 |
| * 2.5.2 | Coefficient Estimates | 44 |
| * 2.5.3 | Estimating the Variance σ^2 | 46 |
| * 2.5.4 | Estimating the Variance of $\hat{\beta}$ | 47 |
| * 2.5.5 | Estimating the Variance of Fitted Values | 47 |
| 2.6 | Fitting Linear Regression Models Using R | 48 |
| 2.7 | Interpreting the Regression Coefficients | 52 |
| 2.8 | Inference for Linear Regression Models: <i>t</i> -Tests | 53 |
| 2.8.1 | Normal Linear Regression Models | 53 |
| 2.8.2 | The Distribution of $\hat{\beta}_j$ | 53 |
| 2.8.3 | Hypothesis Tests for β_j | 54 |
| 2.8.4 | Confidence Intervals for β_j | 55 |
| 2.8.5 | Confidence Intervals for μ | 56 |
| 2.9 | Analysis of Variance for Regression Models | 58 |
| 2.10 | Comparing Nested Models | 61 |
| 2.10.1 | Analysis of Variance to Compare Two Nested Models | 61 |
| 2.10.2 | Sequential Analysis of Variance | 63 |
| 2.10.3 | Parallel and Independent Regressions | 66 |
| 2.10.4 | The Marginality Principle | 70 |
| 2.11 | Choosing Between Non-nested Models: AIC and BIC | 70 |
| 2.12 | Tools to Assist in Model Selection | 72 |
| 2.12.1 | Adding and Dropping Variables | 72 |
| 2.12.2 | Automated Methods for Model Selection | 73 |
| 2.12.3 | Objections to Using Stepwise Procedures | 76 |
| 2.13 | Case Study | 76 |
| 2.14 | Using R for Fitting Linear Regression Models | 79 |
| 2.15 | Summary | 82 |
| | Problems | 83 |
| | References | 90 |
| 3 | Linear Regression Models: Diagnostics and Model-Building | 93 |
| 3.1 | Introduction and Overview | 93 |
| 3.2 | Assumptions from a Practical Point of View | 94 |
| 3.2.1 | Types of Assumptions | 94 |
| 3.2.2 | The Linear Predictor | 94 |
| 3.2.3 | Constant Variance | 94 |
| 3.2.4 | Independence | 95 |
| 3.2.5 | Normality | 96 |

| | | |
|----------|---|------------|
| 3.2.6 | Measurement Scales | 96 |
| 3.2.7 | Approximations and Consequences | 96 |
| 3.3 | Residuals for Normal Linear Regression Models | 97 |
| 3.4 | The Leverages for Linear Regression Models | 98 |
| 3.4.1 | Leverage and Extreme Covariate Values | 98 |
| * 3.4.2 | The Leverages Using Matrix Algebra | 100 |
| 3.5 | Residual Plots | 101 |
| 3.5.1 | Plot Residuals Against x_j : Linearity | 101 |
| 3.5.2 | Partial Residual Plots | 102 |
| 3.5.3 | Plot Residuals Against $\hat{\mu}$: Constant Variance | 104 |
| 3.5.4 | Q-Q Plots and Normality | 105 |
| 3.5.5 | Lag Plots and Dependence over Time | 106 |
| 3.6 | Outliers and Influential Observations | 108 |
| 3.6.1 | Introduction | 108 |
| 3.6.2 | Outliers and Studentized Residuals | 109 |
| 3.6.3 | Influential Observations | 110 |
| 3.7 | Terminology for Residuals | 115 |
| 3.8 | Remedies: Fixing Identified Problems | 115 |
| 3.9 | Transforming the Response | 116 |
| 3.9.1 | Symmetry, Constraints and the Ladder of Powers | 116 |
| 3.9.2 | Variance-Stabilizing Transformations | 117 |
| 3.9.3 | Box-Cox Transformations | 120 |
| 3.10 | Simple Transformations of Covariates | 121 |
| 3.11 | Polynomial Trends | 127 |
| 3.12 | Regression Splines | 131 |
| 3.13 | Fixing Identified Outliers | 134 |
| 3.14 | Collinearity | 135 |
| 3.15 | Case Studies | 138 |
| 3.15.1 | Case Study 1 | 138 |
| 3.15.2 | Case Study 2 | 141 |
| 3.16 | Using R for Diagnostic Analysis of Linear Regression Models | 146 |
| 3.17 | Summary | 147 |
| | Problems | 149 |
| | References | 162 |
| 4 | Beyond Linear Regression: The Method of Maximum Likelihood | 165 |
| 4.1 | Introduction and Overview | 165 |
| 4.2 | The Need for Non-normal Regression Models | 165 |
| 4.2.1 | When Linear Models Are a Poor Choice | 165 |
| 4.2.2 | Binary Outcomes and Binomial Counts | 166 |
| 4.2.3 | Unrestricted Counts: Poisson or Negative Binomial | 168 |
| 4.2.4 | Continuous Positive Observations | 169 |
| 4.3 | Generalizing the Normal Linear Model | 171 |

| | | |
|----------|--|------------|
| 4.4 | The Idea of Likelihood Estimation | 172 |
| 4.5 | Maximum Likelihood for Estimating One Parameter | 176 |
| 4.5.1 | Score Equations | 176 |
| 4.5.2 | Information: Observed and Expected | 177 |
| 4.5.3 | Standard Errors of Parameters | 179 |
| 4.6 | Maximum Likelihood for More Than One Parameter | 180 |
| 4.6.1 | Score Equations | 180 |
| 4.6.2 | Information: Observed and Expected | 182 |
| 4.6.3 | Standard Errors of Parameters | 183 |
| * 4.7 | Maximum Likelihood Using Matrix Algebra | 183 |
| * 4.7.1 | Notation | 183 |
| * 4.7.2 | Score Equations | 183 |
| * 4.7.3 | Information: Observed and Expected | 184 |
| * 4.7.4 | Standard Errors of Parameters | 186 |
| * 4.8 | Fisher Scoring for Computing MLEs | 186 |
| 4.9 | Properties of MLEs | 189 |
| 4.9.1 | Introduction | 189 |
| 4.9.2 | Properties of MLEs for One Parameter | 189 |
| * 4.9.3 | Properties of MLEs for Many Parameters | 190 |
| 4.10 | Hypothesis Testing: Large Sample Asymptotic Results | 191 |
| 4.10.1 | Introduction | 191 |
| * 4.10.2 | Global Tests | 194 |
| * 4.10.3 | Tests About Subsets of Parameters | 196 |
| 4.10.4 | Tests About One Parameter in a Set of Parameters .. | 197 |
| 4.10.5 | Comparing the Three Methods | 199 |
| 4.11 | Confidence Intervals | 200 |
| * 4.11.1 | Confidence Regions for More Than One Parameter .. | 200 |
| 4.11.2 | Confidence Intervals for Single Parameters | 200 |
| 4.12 | Comparing Non-nested Models: The AIC and BIC | 202 |
| 4.13 | Summary | 204 |
| * 4.14 | Appendix: R Code to Fit Models to the Quilpie Rainfall Data | 204 |
| | Problems | 206 |
| | References | 209 |
| 5 | Generalized Linear Models: Structure | 211 |
| 5.1 | Introduction and Overview | 211 |
| 5.2 | The Two Components of Generalized Linear Models | 211 |
| 5.3 | The Random Component: Exponential Dispersion Models ... | 212 |
| 5.3.1 | Examples of EDMs | 212 |
| 5.3.2 | Definition of EDMs | 212 |
| 5.3.3 | Generating Functions | 214 |
| 5.3.4 | The Moment Generating and Cumulant Functions for EDMs | 215 |
| 5.3.5 | The Mean and Variance of an EDM | 216 |

| | | |
|----------|--|------------|
| 5.3.6 | The Variance Function | 217 |
| 5.4 | EDMs in Dispersion Model Form | 218 |
| 5.4.1 | The Unit Deviance and the Dispersion Model Form ... | 218 |
| 5.4.2 | The Saddlepoint Approximation | 223 |
| 5.4.3 | The Distribution of the Unit Deviance..... | 224 |
| 5.4.4 | Accuracy of the Saddlepoint Approximation..... | 225 |
| 5.4.5 | Accuracy of the χ_1^2 Distribution for the Unit Deviance | 226 |
| 5.5 | The Systematic Component | 229 |
| 5.5.1 | Link Function | 229 |
| 5.5.2 | Offsets | 229 |
| 5.6 | Generalized Linear Models Defined..... | 230 |
| 5.7 | The Total Deviance | 231 |
| 5.8 | Regression Transformations Approximate GLMs | 232 |
| 5.9 | Summary | 234 |
| | Problems | 235 |
| | References | 240 |
| 6 | Generalized Linear Models: Estimation | 243 |
| 6.1 | Introduction and Overview | 243 |
| 6.2 | Likelihood Calculations for β | 243 |
| 6.2.1 | Differentiating the Probability Function | 243 |
| 6.2.2 | Score Equations and Information for β | 244 |
| 6.3 | Computing Estimates of β | 245 |
| 6.4 | The Residual Deviance | 248 |
| 6.5 | Standard Errors for $\hat{\beta}$ | 250 |
| * 6.6 | Estimation of β : Matrix Formulation | 250 |
| 6.7 | Estimation of GLMs Is Locally Like Linear Regression..... | 252 |
| 6.8 | Estimating ϕ | 252 |
| 6.8.1 | Introduction | 252 |
| 6.8.2 | The Maximum Likelihood Estimator of ϕ | 253 |
| 6.8.3 | Modified Profile Log-Likelihood Estimator of ϕ | 253 |
| 6.8.4 | Mean Deviance Estimator of ϕ | 254 |
| 6.8.5 | Pearson Estimator of ϕ | 255 |
| 6.8.6 | Which Estimator of ϕ Is Best? | 255 |
| 6.9 | Using R to Fit GLMs | 257 |
| 6.10 | Summary | 259 |
| | Problems | 261 |
| | References | 262 |
| 7 | Generalized Linear Models: Inference | 265 |
| 7.1 | Introduction and Overview | 265 |
| 7.2 | Inference for Coefficients When ϕ Is Known | 265 |
| 7.2.1 | Wald Tests for Single Regression Coefficients | 265 |
| 7.2.2 | Confidence Intervals for Individual Coefficients | 266 |

| | | |
|-----------|--|------------|
| 7.2.3 | Confidence Intervals for μ | 267 |
| 7.2.4 | Likelihood Ratio Tests to Compare Nested Models: χ^2 Tests | 269 |
| 7.2.5 | Analysis of Deviance Tables to Compare Nested Models | 270 |
| 7.2.6 | Score Tests | 271 |
| * 7.2.7 | Score Tests Using Matrices | 272 |
| 7.3 | Large Sample Asymptotics | 273 |
| 7.4 | Goodness-of-Fit Tests with ϕ Known | 274 |
| 7.4.1 | The Idea of Goodness-of-Fit | 274 |
| 7.4.2 | Deviance Goodness-of-Fit Test | 275 |
| 7.4.3 | Pearson Goodness-of-Fit Test | 275 |
| 7.5 | Small Dispersion Asymptotics | 276 |
| 7.6 | Inference for Coefficients When ϕ Is Unknown | 278 |
| 7.6.1 | Wald Tests for Single Regression Coefficients | 278 |
| 7.6.2 | Confidence Intervals for Individual Coefficients | 280 |
| * 7.6.3 | Confidence Intervals for μ | 281 |
| 7.6.4 | Likelihood Ratio Tests to Compare Nested Models: F -Tests | 282 |
| 7.6.5 | Analysis of Deviance Tables to Compare Nested Models | 284 |
| 7.6.6 | Score Tests | 286 |
| 7.7 | Comparing Wald, Score and Likelihood Ratio Tests | 287 |
| 7.8 | Choosing Between Non-nested GLMs: AIC and BIC | 288 |
| 7.9 | Automated Methods for Model Selection | 289 |
| 7.10 | Using R to Perform Tests | 290 |
| 7.11 | Summary | 292 |
| | Problems | 293 |
| | References | 296 |
| 8. | Generalized Linear Models: Diagnostics | 297 |
| 8.1 | Introduction and Overview | 297 |
| 8.2 | Assumptions of GLMs | 297 |
| 8.3 | Residuals for GLMs | 298 |
| 8.3.1 | Response Residuals Are Insufficient for GLMs | 298 |
| 8.3.2 | Pearson Residuals | 299 |
| 8.3.3 | Deviance Residuals | 300 |
| 8.3.4 | Quantile Residuals | 300 |
| 8.4 | The Leverages in GLMs | 304 |
| 8.4.1 | Working Leverages | 304 |
| * 8.4.2 | The Hat Matrix | 304 |
| 8.5 | Leverage Standardized Residuals for GLMs | 305 |
| 8.6 | When to Use Which Type of Residual | 306 |
| 8.7 | Checking the Model Assumptions | 306 |
| 8.7.1 | Introduction | 306 |

| | | |
|-----------|--|------------|
| 8.7.2 | Independence: Plot Residuals Against Lagged Residuals | 307 |
| 8.7.3 | Plots to Check the Systematic Component | 307 |
| 8.7.4 | Plots to Check the Random Component | 311 |
| 8.8 | Outliers and Influential Observations | 312 |
| 8.8.1 | Introduction | 312 |
| 8.8.2 | Outliers and Studentized Residuals | 312 |
| 8.8.3 | Influential Observations | 313 |
| 8.9 | Remedies: Fixing Identified Problems | 315 |
| 8.10 | Quasi-Likelihood and Extended Quasi-Likelihood | 318 |
| 8.11 | Collinearity | 321 |
| 8.12 | Case Study | 322 |
| 8.13 | Using R for Diagnostic Analysis of GLMs | 325 |
| 8.14 | Summary | 326 |
| | Problems | 327 |
| | References | 330 |
| 9 | Models for Proportions: Binomial GLMs | 333 |
| 9.1 | Introduction and Overview | 333 |
| 9.2 | Modelling Proportions | 333 |
| 9.3 | Link Functions | 336 |
| 9.4 | Tolerance Distributions and the Probit Link | 338 |
| 9.5 | Odds, Odds Ratios and the Logit Link | 340 |
| 9.6 | Median Effective Dose, ED50 | 343 |
| 9.7 | The Complementary Log-Log Link in Assay Analysis | 344 |
| 9.8 | Overdispersion | 347 |
| 9.9 | When Wald Tests Fail | 351 |
| 9.10 | No Goodness-of-Fit for Binary Responses | 354 |
| 9.11 | Case Study | 354 |
| 9.12 | Using R to Fit GLMs to Proportion Data | 360 |
| 9.13 | Summary | 360 |
| | Problems | 361 |
| | References | 367 |
| 10 | Models for Counts: Poisson and Negative Binomial GLMs | 371 |
| 10.1 | Introduction and Overview | 371 |
| 10.2 | Summary of Poisson GLMs | 371 |
| 10.3 | Modelling Rates | 373 |
| 10.4 | Contingency Tables: Log-Linear Models | 378 |
| 10.4.1 | Introduction | 378 |
| 10.4.2 | Two Dimensional Tables: Systematic Component ... | 378 |
| 10.4.3 | Two-Dimensional Tables: Random Components | 380 |
| 10.4.4 | Three-Dimensional Tables | 385 |
| 10.4.5 | Simpson's Paradox | 389 |
| 10.4.6 | Equivalence of Binomial and Poisson GLMs | 392 |

| | | |
|-----------|--|------------|
| 10.4.7 | Higher-Order Tables | 393 |
| 10.4.8 | Structural Zeros in Contingency Tables | 395 |
| 10.5 | Overdispersion | 397 |
| 10.5.1 | Overdispersion for Poisson GLMs | 397 |
| 10.5.2 | Negative Binomial GLMs | 399 |
| 10.5.3 | Quasi-Poisson Models | 402 |
| 10.6 | Case Study | 404 |
| 10.7 | Using R to Fit GLMs to Count Data | 411 |
| 10.8 | Summary | 411 |
| | Problems | 412 |
| | References | 422 |
| 11 | Positive Continuous Data: Gamma and Inverse Gaussian GLMs | 425 |
| 11.1 | Introduction and Overview | 425 |
| 11.2 | Modelling Positive Continuous Data | 425 |
| 11.3 | The Gamma Distribution | 427 |
| 11.4 | The Inverse Gaussian Distribution | 431 |
| 11.5 | Link Functions | 433 |
| 11.6 | Estimating the Dispersion Parameter | 436 |
| 11.6.1 | Estimating ϕ for the Gamma Distribution | 436 |
| 11.6.2 | Estimating ϕ for the Inverse Gaussian Distribution | 439 |
| 11.7 | Case Studies | 440 |
| 11.7.1 | Case Study 1 | 440 |
| 11.7.2 | Case Study 2 | 442 |
| 11.8 | Using R to Fit Gamma and Inverse Gaussian GLMs | 445 |
| 11.9 | Summary | 445 |
| | Problems | 446 |
| | References | 454 |
| 12 | Tweedie GLMs | 457 |
| 12.1 | Introduction and Overview | 457 |
| 12.2 | The Tweedie EDMs | 457 |
| 12.2.1 | Introducing Tweedie Distributions | 457 |
| 12.2.2 | The Structure of Tweedie EDMs | 460 |
| 12.2.3 | Tweedie EDMs for Positive Continuous Data | 461 |
| 12.2.4 | Tweedie EDMs for Positive Continuous Data with Exact Zeros | 463 |
| 12.3 | Tweedie GLMs | 464 |
| 12.3.1 | Introduction | 464 |
| 12.3.2 | Estimation of the Index Parameter ξ | 465 |
| 12.3.3 | Fitting Tweedie GLMs | 469 |
| 12.4 | Case Studies | 473 |
| 12.4.1 | Case Study 1 | 473 |
| 12.4.2 | Case Study 2 | 475 |

| | | |
|-----------|--|------------|
| 12.5 | Using R to Fit Tweedie GLMs | 478 |
| 12.6 | Summary | 479 |
| | Problems | 480 |
| | References | 488 |
| 13 | Extra Problems | 491 |
| 13.1 | Introduction and Overview | 491 |
| | Problems | 491 |
| | References | 500 |
| | Using R for Data Analysis | 503 |
| A.1 | Introduction and Overview | 503 |
| A.2 | Preparing to Use R | 503 |
| A.2.1 | Introduction to R | 503 |
| A.2.2 | Important R Websites | 504 |
| A.2.3 | Obtaining and Installing R | 504 |
| A.2.4 | Downloading and Installing R Packages | 504 |
| A.2.5 | Using R Packages | 505 |
| A.2.6 | The R Packages Used in This Book | 506 |
| A.3 | Introduction to Using R | 506 |
| A.3.1 | Basic Use of R as an Advanced Calculator | 506 |
| A.3.2 | Quitting R | 508 |
| A.3.3 | Obtaining Help in R | 508 |
| A.3.4 | Variable Names in R | 508 |
| A.3.5 | Working with Vectors in R | 509 |
| A.3.6 | Loading Data into R | 511 |
| A.3.7 | Working with Data Frames in R | 513 |
| A.3.8 | Using Functions in R | 514 |
| A.3.9 | Basic Statistical Functions in R | 515 |
| A.3.10 | Basic Plotting in R | 516 |
| A.3.11 | Writing Functions in R | 518 |
| * A.3.12 | Matrix Arithmetic in R | 520 |
| | References | 523 |
| | The GLMsData package | 525 |
| | References | 527 |
| | Selected Solutions | 529 |
| | Solutions from Chap. 1 | 529 |
| | Solutions from Chap. 2 | 530 |
| | Solutions from Chap. 3 | 532 |
| | Solutions from Chap. 4 | 534 |
| | Solutions from Chap. 5 | 536 |
| | Solutions from Chap. 6 | 537 |
| | Solutions from Chap. 7 | 537 |
| | Solutions from Chap. 8 | 539 |

| | |
|------------------------------------|------------|
| Solutions from Chap. 9 | 539 |
| Solutions from Chap. 10 | 541 |
| Solutions from Chap. 11 | 544 |
| Solutions from Chap. 12 | 547 |
| Solutions from Chap. 13 | 548 |
| References | 550 |
| Index: Data sets | 551 |
| Index: R commands | 553 |
| Index: General topics | 557 |