

# Contents

Preface	xv
<b>1 Linear regression analysis</b>	<b>1</b>
1.1 Linear regression assumptions . . . . .	1
1.2 Linear regression estimation . . . . .	3
1.2.1 Residuals . . . . .	7
1.2.2 Outliers . . . . .	7
1.3 Linear regression R-square . . . . .	8
1.4 Linear regression standardization . . . . .	8
1.5 Example: Regression with one covariate . . . . .	10
1.5.1 Individual residuals and outliers . . . . .	13
1.5.2 Reporting results . . . . .	15
1.6 Multiple covariates . . . . .	17
1.6.1 Linear regression with two continuous covariates . . . . .	17
Interaction between two continuous covariates . . . . .	18
1.6.2 Linear regression with one binary and one continuous covariate . . . . .	20
Interaction between a binary and a continuous covariate . . . . .	22
1.7 Example: Regression with two covariates . . . . .	23
1.7.1 Reporting results . . . . .	25
1.8 Example: Regression with an interaction . . . . .	27
1.8.1 Reporting results . . . . .	29
Presenting parameter estimates . . . . .	30
Presenting results graphically . . . . .	30
1.9 Special topics . . . . .	34
1.9.1 Standardized coefficients greater than one . . . . .	34
1.9.2 Standardized coefficients differing in significance from unstandardized coefficients . . . . .	35
1.9.3 Two-group regression analysis . . . . .	36

	Example: Two-group regression analysis of an inter- vention study . . . . .	37
1.9.4	Bringing covariates into the model . . . . .	39
	Missing data on $x$ . . . . .	40
	Example: Bringing a covariate into the model for the intervention example using a two-group analysis . . . . .	40
1.9.5	The Bayesian Information Criterion (BIC) and the Akaike Information Criterion (AIC) . . . . .	44
1.9.6	Heteroscedasticity modeling . . . . .	45
	Example: Heteroscedasticity modeling of LSAY math data . . . . .	45
1.9.7	Random coefficient regression . . . . .	48
	Example: Random coefficient regression for LSAY math data . . . . .	50
<b>2</b>	<b>Mediation analysis</b>	<b>57</b>
2.1	A prototypical mediation model . . . . .	57
2.2	Mediation modeling techniques . . . . .	59
2.2.1	Estimation . . . . .	61
	Indirect effect standard errors and confidence intervals	61
2.2.2	Standardization for mediation models . . . . .	63
2.2.3	Model testing . . . . .	65
2.3	Example: Sex discrimination . . . . .	66
2.3.1	Inspecting the data and reporting results . . . . .	68
2.4	Example: Head circumference . . . . .	72
2.4.1	Reporting results . . . . .	75
2.4.2	The saturated model . . . . .	80
2.5	Multiple mediators . . . . .	82
2.5.1	Example: Parallel mediators for media influence . . .	83
2.5.2	Example: Sequential mediators of socioeconomic status	87
2.6	Moderated mediation . . . . .	91
2.6.1	Case 1 ( $xz$ ): Regression of $y$ on $x$ , $m$ on $x$ , both moderated by $z$ . . . . .	91
2.6.2	Case 2 ( $mz$ ): Regression of $y$ on $m$ moderated by $z$ .	93
2.6.3	Case 3 ( $mx$ ): Regression of $y$ on $m$ moderated by $x$ .	95
2.6.4	Combined moderation case . . . . .	97
2.6.5	Example: Case 1 moderated mediation in an interven- tion of aggressive behavior in the classroom . . . . .	98

	Testing significance of effects at specific moderator values . . . . .	99
	Creating a plot with bootstrap confidence intervals for the effects at a range of moderator values . .	102
	Combination of significance of effect at specific moderator values and plot of confidence intervals using MODEL INDIRECT . . . . .	106
2.6.6	Example: Case 2 moderated mediation for work team behavior . . . . .	108
2.6.7	Example: Case 3 moderated mediation of simulated data . . . . .	111
2.6.8	Example: Combined moderated mediation for sex discrimination . . . . .	117
<b>3</b>	<b>Special topics in mediation analysis</b>	<b>121</b>
3.1	Monte Carlo simulation study of mediation . . . . .	121
3.1.1	Example: Monte Carlo study of indirect effects . . . .	123
3.2	Monte Carlo studies of moderation . . . . .	130
3.2.1	Example: Moderation of the regression of $m$ on $x$ . . .	130
3.2.2	Example: Moderation of the regression of $y$ on $m$ . . .	136
3.3	Model misspecification . . . . .	138
3.3.1	Example: Omitted moderator . . . . .	138
3.3.2	Example: Omitted mediators . . . . .	141
3.3.3	Example: Confounders . . . . .	147
3.4	Instrumental variable estimation . . . . .	153
3.4.1	Example: IV estimation with mediator-outcome confounding . . . . .	155
	Bias and coverage of IV estimation of the indirect effect	156
	Comparing IV and ML standard errors and power . .	157
	IV estimation dependence on the size of the $x$ , $m$ correlation . . . . .	158
	Comparison of IV and maximum-likelihood estimation when the assumptions behind both approaches are violated . . . . .	159
3.5	Sensitivity analysis . . . . .	159
3.5.1	Example: Sensitivity analysis for an experimental study of sex discrimination in the workplace . . . . .	162
3.5.2	Example: Sensitivity analysis in a Monte Carlo study	165
3.6	Multiple-group mediation analysis . . . . .	169

3.6.1	Relating multiple-group parameters to interaction parameters . . . . .	170
3.6.2	Modification indices . . . . .	171
3.6.3	Example: Two-group analysis of moderated mediation for sex discrimination . . . . .	172
3.7	Measurement errors and latent variables . . . . .	176
3.7.1	Measurement error in an independent variable . . . . .	176
3.7.2	Measurement error in a mediator . . . . .	178
3.7.3	Example: Monte Carlo simulation study of measurement error in the mediator . . . . .	179
3.7.4	Known reliability . . . . .	182
3.7.5	Multiple indicators . . . . .	182
	Reliability of a sum of indicators . . . . .	183
	Structural equation modeling with a factor analysis measurement model . . . . .	185
<b>4</b>	<b>Causal inference for mediation</b>	<b>187</b>
4.1	Causal assumptions . . . . .	188
4.2	Potential outcomes and counterfactuals . . . . .	189
4.2.1	Example: Hypothetical potential outcome data . . . . .	190
4.3	Basics of counterfactually-defined effects . . . . .	191
4.3.1	Example: Hypothetical mediation potential outcomes . . . . .	193
4.4	Direct and indirect effects . . . . .	196
4.4.1	Direct effects . . . . .	197
4.4.2	Indirect effects . . . . .	198
4.4.3	Total effect decomposition . . . . .	199
4.4.4	Example: Hypothetical mediation data analysis . . . . .	199
4.5	Causal effect formulas . . . . .	200
4.5.1	Example: Effects in the simple mediation case . . . . .	203
4.5.2	Example: Effects with moderation of $Y$ regressed on $M$ (case 3) . . . . .	204
4.5.3	Example: Effects in the combined moderation case . . . . .	206
4.5.4	Example: Effects combining case 1 and case 2 moderation . . . . .	207
4.5.5	Multiple mediators . . . . .	208
4.6	Summary . . . . .	209
<b>5</b>	<b>Categorical dependent variable</b>	<b>211</b>
5.1	Basic concepts for categorical variables . . . . .	211
5.1.1	Binary variables . . . . .	214

5.2	Binary dependent variable . . . . .	216
5.2.1	Example: OLS, logistic, and probit regression of coal miner respiratory problems . . . . .	217
5.2.2	Modeling with a logistic regression function . . . . .	220
5.2.3	Modeling with a probit regression function . . . . .	222
5.2.4	Estimation of the logistic and probit regressions . . . . .	224
5.2.5	Probability curve formulation versus a latent response variable formulation . . . . .	224
5.2.6	$R^2$ and standardization . . . . .	226
	$R^2$ for a binary outcome . . . . .	227
	Standardization . . . . .	227
5.2.7	Example: Logistic and probit regression of British coal miner data . . . . .	228
	Logistic regression . . . . .	228
	Probit regression . . . . .	232
	Computation of estimated probabilities . . . . .	232
	Comparing logistic and probit regression coefficients . . . . .	234
	Comparing the logistic and probit regression models by BIC . . . . .	234
5.2.8	Logistic and probit regression with one binary and one continuous $x$ . . . . .	234
5.2.9	Logistic regression and adjusted odds ratios . . . . .	235
5.2.10	Example: Adjusted odds ratios for alcohol survey data . . . . .	237
5.2.11	Example: Adjusted odds ratios for educational achieve- ment data . . . . .	239
5.3	Ordinal dependent variable . . . . .	240
5.3.1	Probability curve formulation of ordinal dependent variable regression . . . . .	240
5.3.2	Latent response variable formulation of ordinal depen- dent variable regression . . . . .	243
5.3.3	Example: Sample probits for drinking related to age and income . . . . .	245
5.3.4	Testing the parallel probability curve assumption behind the ordinal regression model . . . . .	245
5.3.5	Example: Ordinal logistic regression of mental impair- ment . . . . .	247
	Estimated odds ratio . . . . .	248
	Estimated probabilities . . . . .	249
	Odds ratio with an interaction . . . . .	250
5.4	Nominal dependent variable . . . . .	252

5.4.1	Example: Multinomial logistic regression of antisocial behavior . . . . .	253
<b>6</b>	<b>Count dependent variable</b>	<b>259</b>
6.1	Poisson model . . . . .	259
6.2	Poisson model with a random intercept . . . . .	261
6.3	Zero-inflated Poisson model . . . . .	261
6.4	Negative binomial model . . . . .	262
6.5	Zero-inflated negative binomial model . . . . .	262
6.6	Two-part (hurdle) model with zero-truncation . . . . .	263
6.7	Varying-exposure model . . . . .	263
6.8	Comparing models . . . . .	264
6.9	Example: Count regression of marital affairs . . . . .	264
6.9.1	Poisson, Poisson with a random intercept, and negative binomial models . . . . .	266
	Negative binomial model . . . . .	268
6.9.2	Zero-inflated Poisson and zero-inflated negative binomial models . . . . .	269
6.9.3	Two-part (hurdle) modeling . . . . .	272
6.9.4	Conclusion for marital affairs analyses . . . . .	276
6.10	Example: Poisson with varying exposure . . . . .	276
<b>7</b>	<b>Censored dependent variable</b>	<b>279</b>
7.1	Basic concepts for a censored variable . . . . .	279
7.2	Censored-normal (tobit) regression . . . . .	280
7.3	Censored-inflated regression . . . . .	282
7.4	Sample selection (Heckman) regression . . . . .	283
7.4.1	Example: Simulated sample selection data . . . . .	285
7.5	Two-part regression . . . . .	288
7.6	Example: Methods comparison on alcohol data . . . . .	290
7.6.1	Analysis results for the four models . . . . .	293
	Loglikelihood and BIC comparisons of the four models	294
	Comparing the results for the censored-normal (tobit) and censored-inflated models . . . . .	295
	Comparing the results for the sample selection (Heckman) and two-part models . . . . .	296
	Comparing the results for the censored-inflated and two-part models . . . . .	297

	Comparing the fit for estimated probabilities and means for the censored-inflated and two-part models . . . . .	300
7.7	Switching regressions . . . . .	302
7.7.1	Example: Monte Carlo simulation of switching regressions . . . . .	302
<b>8</b>	<b>Mediation non-continuous variables</b>	<b>307</b>
8.1	Binary outcome, continuous mediator . . . . .	307
8.1.1	A simple hypothetical mediation model . . . . .	309
8.1.2	Total, indirect, and direct effects in terms of differences in probabilities . . . . .	310
8.1.3	Causal effect formulas for a continuous $M$ and a binary $Y$ . . . . .	311
8.1.4	Causal effect formulas applied to a simple mediation model with a binary outcome and a continuous mediator	314
8.1.5	Causal effect formulas defined on the odds ratio scale	315
	Odds ratio effects assuming a rare outcome . . . . .	315
8.1.6	Causal effects with multiple mediators and a binary outcome . . . . .	316
8.1.7	Example: Intention to use cigarettes . . . . .	316
	Probit regression . . . . .	318
	Logistic regression . . . . .	321
8.1.8	Example: HPV vaccination trial . . . . .	323
	No intervention-mediator interaction . . . . .	324
	Intervention-mediator interaction . . . . .	324
	Analysis results . . . . .	327
8.2	Count outcome, continuous mediator . . . . .	330
8.2.1	Causal effect formulas for a count outcome . . . . .	330
8.2.2	Example: Aggressive behavior and school removal . . . . .	332
	Estimated count probabilities . . . . .	333
8.3	Two-part outcome, continuous mediator . . . . .	337
8.3.1	Causal effect formulas for a two-part outcome . . . . .	337
8.3.2	Example: Two-part mediation analysis of economic stress data . . . . .	339
	Causal effects for two-part modeling . . . . .	340
	Causal effects for regular modeling with $\log y$ . . . . .	343
	Causal effects for regular modeling without $\log y$ . . . . .	344
8.4	Binary and ordinal mediator . . . . .	346
8.4.1	Causal effect formulas for a binary mediator . . . . .	346

8.4.2	Ordinal mediator . . . . .	348
8.4.3	Latent response variable mediator . . . . .	348
8.4.4	Estimation . . . . .	349
8.4.5	Example: Hypothetical data from the potential outcome example with a binary mediator and a continuous outcome . . . . .	350
8.4.6	Example: Ordinal mediator for intention to use cigarettes	352
8.4.7	Example: Pearl's artificial 2 x 2 x 2 example . . . . .	357
8.5	Nominal mediator . . . . .	361
8.5.1	Causal effect formulas for a nominal mediator . . . . .	361
8.5.2	Estimation . . . . .	362
8.5.3	Example: Hypothetical data with a nominal mediator and a binary outcome . . . . .	362
8.6	Mediator with measurement error . . . . .	368
8.6.1	Example: A Monte Carlo simulation study for a mediator measured with error . . . . .	369
8.6.2	Example: An intervention study of aggressive behavior in the classroom and juvenile court record . . . . .	374
<b>9</b>	<b>Bayesian analysis</b>	<b>381</b>
9.1	Prior, likelihood, and posterior . . . . .	381
9.1.1	Posterior distribution for the mean of a normal distribution . . . . .	383
9.1.2	Types of priors . . . . .	385
9.1.3	Non-normality of parameter distributions . . . . .	386
9.2	Markov Chain Monte Carlo (MCMC) . . . . .	387
9.2.1	Example: Bayesian estimation of a mean with missing data for LSAY math . . . . .	388
	Input for Bayesian analysis . . . . .	391
9.2.2	Plots . . . . .	393
	Trace plot . . . . .	393
	Autocorrelation plot . . . . .	395
	Posterior distribution plot . . . . .	397
9.2.3	Convergence checking . . . . .	399
9.3	Model fit . . . . .	400
9.4	Bayes versus ML intervals . . . . .	402
9.5	Example: Mediation model for media influence . . . . .	404
	The Potential Scale Reduction (PSR) convergence criterion . . . . .	406
	Trace plot . . . . .	406



	Autocorrelation plot . . . . .	406
	Inspecting model fit and parameter estimates . . . . .	408
9.6	Example: Mediation model for firefighter data . . . . .	413
9.6.1	Non-informative priors . . . . .	413
9.6.2	Informative priors . . . . .	413
9.7	Example: Model testing of direct effects . . . . .	416
9.8	Example: High school dropout and missing data . . . . .	418
9.8.1	Missing data on the mediator ( $n = 2, 213$ ) . . . . .	418
	Bayesian analysis . . . . .	419
	Maximum-likelihood analysis . . . . .	422
9.8.2	Missing data on the control variables ( $n = 2, 898$ ) . . . . .	423
	Assuming normality for all covariates . . . . .	424
	Acknowledging that some control variables are binary . . . . .	425
<b>10</b>	<b>Missing data</b>	<b>427</b>
10.1	Example: Missing data information . . . . .	427
10.2	MCAR, MAR, and NMAR . . . . .	429
10.2.1	MCAR: Missing completely at random . . . . .	430
10.2.2	MAR: Missing at random . . . . .	430
10.2.3	NMAR: Not missing at random . . . . .	431
10.3	MAR for bivariate normal variables ( $H_1$ case) . . . . .	431
10.3.1	Listwise versus ML . . . . .	432
10.3.2	Maximum-likelihood estimation in the bivariate case with missing on one variable . . . . .	434
10.3.3	The EM algorithm . . . . .	436
10.3.4	Multiple imputation . . . . .	438
10.3.5	Example: Estimating sample statistics for interven- tion data . . . . .	440
10.4	MAR for regression ( $H_0$ case) . . . . .	443
10.4.1	Missing data and selection on $x$ or $y$ . . . . .	443
10.4.2	Regression analysis with missing data . . . . .	445
10.4.3	Technical aspects of ML assuming MAR . . . . .	448
10.4.4	Example: MAR simulated data analysis . . . . .	449
10.4.5	Missing data correlates . . . . .	456
	Example: Simulation study with missing data corre- late of missing on $y$ . . . . .	456
10.5	NMAR . . . . .	464
10.5.1	Example: Simulated NMAR data with missing influ- enced by the latent outcome . . . . .	465

10.5.2 Example: Selection modeling versus ML assuming MAR when MAR holds . . . . .	470
10.6 Example: Comparing missing data methods . . . . .	472
10.7 Missing data on covariates . . . . .	476
10.7.1 Example: Simulation study of missing on binary covariates . . . . .	476
Inputs for generating and analyzing data assuming MAR	476
Inputs for generating and analyzing data under NMAR	480
Simulation results . . . . .	480
<b>Appendices</b>	<b>489</b>
<b>A Covariance algebra</b>	<b>491</b>
A.1 Definition of an expectation . . . . .	491
A.1.1 Rules for an expectation . . . . .	492
A.2 Definition of covariance and variance . . . . .	492
A.2.1 Rules for variance . . . . .	493
A.3 Functions of random variables . . . . .	493
A.4 Example: Covariance algebra rules applied to linear regression	493
A.5 Example: Derivation of the slope attenuation . . . . .	494
A.6 Example: Variable measured with error . . . . .	495
<b>References</b>	<b>497</b>