Measures of association. Symmetric Tables

MSc Further Statistical Methods, Lecture 4
Hilary Term 2005

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Measures of association

If (conditional) independence among a pair of variables does not hold, it becomes of interest to quantify the dependence.

When variables are nominal, there is no direct analogue of covariance or correlation and one must use other measures of association.

We consider the *relative risk* and the *odds-ratio*.

For ordinal variables there are analogues of the correlation coefficient. We shall consider *Kruskal's γ-coefficient*.

Relative risk

Consider 2×2-table with probabilities

	B	
A	1	2
1	p_{11}	p_{12}
2	p_{21}	p_{22}

The *relative risk* ($\rho = RR$) compares
$P(A = 1 \mid B = 1) = p_{1 \mid 1} = p_{11}/(p_{11} + p_{21})$ with
$P(A = 1 \mid B = 2) = p_{1 \mid 2} = p_{12}/(p_{12} + p_{22})$:

$$\rho = \frac{p_{11}}{p_{12}} \frac{p_{12} + p_{22}}{p_{11} + p_{21}}.$$

Example

The empirical counterpart of the relative risk is

$$\hat{\rho} = \frac{n_{11}}{n_{12}} \frac{n_{12} + n_{22}}{n_{11} + n_{21}}$$

	Sex	
Admitted	Male	Female
Yes	1198	557
No	1493	1278

Here

$$\hat{\rho} = \frac{1198}{557} \frac{557 + 1278}{1198 + 1493} = 1.47$$

so it appears that chances for a male to be admitted is about 47% higher than those for females.

Odds–ratio

The relative risk is an asymmetric measure of association between A and B. This may sometimes be inconvenient, so an alternative is the *odds-ratio* θ.

The (conditional) *odds* for $A = 1$ given $B = 1$ are

$$\omega(A = 1 \mid B = 1) = \omega_{11} = \frac{P(A = 1 \mid B = 1)}{P(A = 2 \mid B = 1)} = \frac{p_{11}}{p_{21}}$$

and similarly for $B = 2$. The odds-ratio is thus

$$\theta = \frac{\omega_{11}}{\omega_{12}} = \frac{(p_{11}/p_{21})}{p_{12}/p_{22}} = \frac{p_{11}p_{22}}{p_{12}p_{21}},$$

which is fully symmetric in A and B and in the labels 1 and 2. Thus it does not change if we relabel the variables or its states.

The odds-ratio is also known as the *cross-product ratio* and its empirical counterpart is

$$\hat{\theta} = \frac{n_{11}n_{22}}{n_{12}n_{21}},$$

One can easily show that

$$A \perp\!\!\!\perp B \iff \theta = 1$$

and a value of θ greater than one corresponds to positive association whereas $\theta < 1$ corresponds to negative association.

More generally, if A and B have more than two states, the odds-ratio is defined for two pairs of states (i, i^*) and (j, j^*) as

$$\theta_{ii^*jj^*} = \frac{p_{ij}p_{i^*j^*}}{p_{ij^*}p_{i^*j}}$$

and $A \perp\!\!\!\perp B$ *if and only if all such ratios are equal to one*.

Conditioning on the values of a third variable $C = k$ we similarly have conditional independence $A \perp\!\!\!\perp B \,|\, C$ if and only if

$$\theta_{ii^*jj^* \,|\, k} = \frac{p_{ijk} p_{i^*j^*k}}{p_{ij^*k} p_{i^*jk}} = 1$$

for all combinations of the indices.

Example

	Overall	Department					
		I	II	III	IV	V	VI
odds-ratio	1.84	0.35	0.8	1.13	0.92	1.22	0.83

The empirical odds-ratios for the admission data indicate a strong example of Simpson's paradox.

For department I, Sex and admission is strongly negatively associated. For other departments the association is moderate and of changing sign.

But overall, the association is strong and positive!

Ordinal variables

	Job satisfaction			
Income	Very diss.	Little diss.	Mod. sat.	Very sat.
$< 15,000$	1	3	10	6
$15,000–25,000$	2	3	10	7
$25,000–40,000$	1	6	14	12
$> 40,000$	0	1	9	11

For ordinal variables we consider concordant and discordant pairs: A pair is *concordant* w.r.t. A and B if

$$i_1 < i_2 \text{ and } j_1 < j_2$$

it is *discordant* if it is the other way around

$$i_1 < i_2 \text{ and } j_1 > j_2,$$

and otherwise it is *tied*. Kruskal's γ-coefficient is defined as

$$\gamma = \frac{p_c - p_d}{p_c + p_d},$$

where p_c and p_d are the probability that a random pair of individuals is a concordant or discordant pair.

Clearly, $-1 \leq \gamma \leq 1$ and $\gamma = 0$ for independent variables, so γ is an analogue of the correlation. Note also that $\gamma = 1$ if and only if $p_c = 1$, i.e. if $p_{ij} = 0$ for $j < i$.

The empirical analogue of Kruskal's γ is

$$\hat{\gamma} = \frac{n_c - n_d}{n_c + n_d} = \frac{1331 - 841}{1331 + 841} = 0.221$$

in the example. So there is a mild (but significant) positive relation between income and job satisfaction.

A test based on $\hat{\gamma}$ can be made using Monte-Carlo methods (not implemented in MIM).

Square tables

In some cases, the variables A and B represent 'the same thing' and quite different hypotheses become relevant, for example that of *marginal homogeneity*

$$p_{i+} = p_{+i}.$$

	After		
Before	Approve	Disapprove	Total
Approve	794	150	944
Disapprove	86	570	656
Total	880	720	1600

Attitude towards UK prime minister. Opinion poll data (fake, I think) from Agresti, Ch. 10.

A panel of 1600 persons were asked at two points in time whether they approved of the policy of the current PM. The interesting question is whether the opinion has changed. If it has not, we say there is *marginal homogeneity*

$$p_{i+} = p_{+i}, \text{ for all } i. \tag{1}$$

In 2×2 case this is equivalent to having $\delta = 0$ where

$$\begin{aligned} \delta &= p_{1+} - p_{+1} \\ &= (p_{11} + p_{12}) - (p_{11} + p_{21}) = p_{12} - p_{21} \end{aligned}$$

so

$$p_{1+} = p_{+2} \iff p_{12} = p_{21},$$

i.e. *marginal homogeneity is equivalent to symmetry,* where the hypothesis of symmetry is given as

$$p_{ij} = p_{ji}. \tag{2}$$

The empirical counterpart of δ is

$$\hat{\delta} = \frac{n_{12} - n_{21}}{n}.$$

Under the assumption of homogeneity, the variance of $\hat{\delta}$ can be calculated as

$$\mathbf{V}(n\hat{\delta}) = 2np_{12} = 2np_{21} = 2np.$$

Under the hypothesis

$$\hat{p} = \frac{n_{12} + n_{21}}{2n},$$

so

$$\chi^2 = \frac{n\hat{\delta}^2}{2n\hat{p}} = \frac{(n_{12} - n_{21})^2}{n_{12} + n_{21}}$$

is for large n approximately χ^2 distributed with 1 degree of freedom.

In the example, we get

$$\chi^2 = \frac{(86 - 150)^2}{86 + 150} = 17.4$$

which is highly significant.

More than two states

The test for symmetry of A and B as expressed in (**??**) generalizes immediately to several states as

$$\chi^2 = \sum_i \sum_{j>i} \frac{(n_{ij} - n_{ji})^2}{n_{ij} + n_{ji}}$$

which is approximately χ^2 distributed with $I(I-1)/2$ degrees of freedom.

Clearly, *marginal symmetry implies marginal homogeneity*.

However, *the converse is false in the multi-state case*.

Testing for marginal homogeneity is more complicated then, see Agresti, Ch. 10.