

Texts and readings

- Loehlin, J. C. Latent Variable Models (4th ed). Lawrence Erlbaum Associates, Mahwah, N.J. 2004 (recommended)
- Revelle, W. (in prep) An introduction to Psychometric Theory with Applications in R. Springer. Chapters available at <http://personality-project.org/r/book>
- Various web based readings about SEM
 - e.g., Barrett (2007), Bollen (2002), McArdle (2009), Widaman & Thompson (2003), Preacher (2015)
- Syllabus and handouts are available at <http://personality-project.org/revelle/syllabi/454/454.syllabus.pdf>
 - Syllabus is subject to modification as we go through the course.
 - Lecture notes will appear no later than 3 hours before class.
- R tutorial is at <http://personality-project.org/r>

Requirements and Evaluation

1. Basic knowledge of psychometrics

- Preferably have taken 405 or equivalent course.
- Alternatively, willing to read some key chapters and catch up
 - Chapters available at <http://personality-project.org/r/book/>
 - Basic concepts of measurement and scaling (Chapters 1-3)
 - Correlation and Regression (Chapters 4 & 5)
 - Factor Analysis (Chapter 6)
 - Reliability (Chapter 7)

2. Familiarity with basic linear algebra (Appendix E) (or, at least, a willingness to learn)

3. Willingness to use computer programs, particularly R, comparing alternative solutions, playing with data.

4. Willingness to ask questions

5. Weekly problem sets/final brief paper

Outline of Course

1. Review of correlation/regression/reliability/matrix algebra
(405 in a week)
2. Basic model fitting/path analysis
3. Simple models
4. Goodness of fit—what is it all about?
5. Exploratory Factor Analysis
6. Confirmatory Factor Analysis
7. Multiple groups/multiple occasions
8. Further topics

Data = Model + Residual

- The fundamental equations of statistics are that
 - Data = Model + Residual
 - Residual = Data - Model
- The problem is to specify the model and then evaluate the fit of the model to the data as compared to other models
 - Fit = f(Data, Residual)
 - Typically: $Fit \propto 1 - \frac{Residual^2}{Data^2}$
 - $Fit = \frac{(Data - Model)^2}{Data^2}$
- This is a course in developing, evaluating, and comparing models of data.
- This is not a course in how to use any particular program (e.g., MPlus, LISREL, AMOS, or even R) to do latent variable analysis, but rather in how and why to think about latent variables when thinking about data.

Latent Variable Modeling

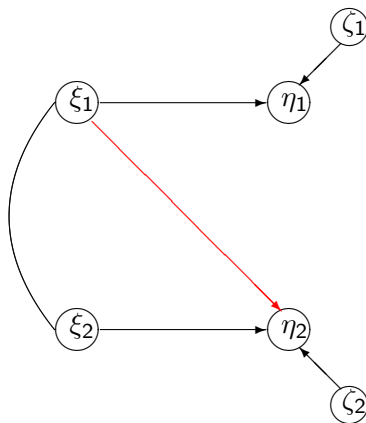
- Two kinds of variables
 1. Observed Variables (X, Y)
 2. *Latent Variables* ($\xi, \eta \in \zeta$)
- Three kinds of variance/covariances
 1. Observed with Observed C_{xy} or σ_{xy}
 2. Observed with Latent λ
 3. Latent with Latent ϕ
- Three kinds of algebra
 1. Path algebra
 2. [Linear algebra](#)
 3. Computer syntax
 - R packages e.g., *psych*, *lavaan*, *sem*, and *OpenMx* and associated functions
 - Commercial packages: MPlus (available through SSCC)
 - AMOS, EQS (if licensed)

Latent Variables

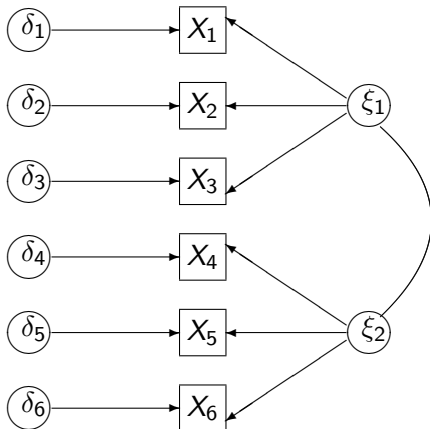
 ξ η ξ_1 η_1 ξ_2 η_2

Theory: A regression model of latent variables

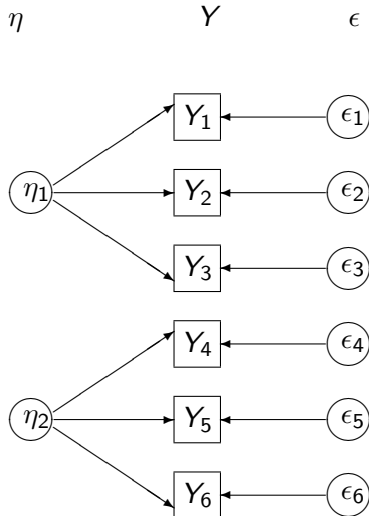
§

 η 

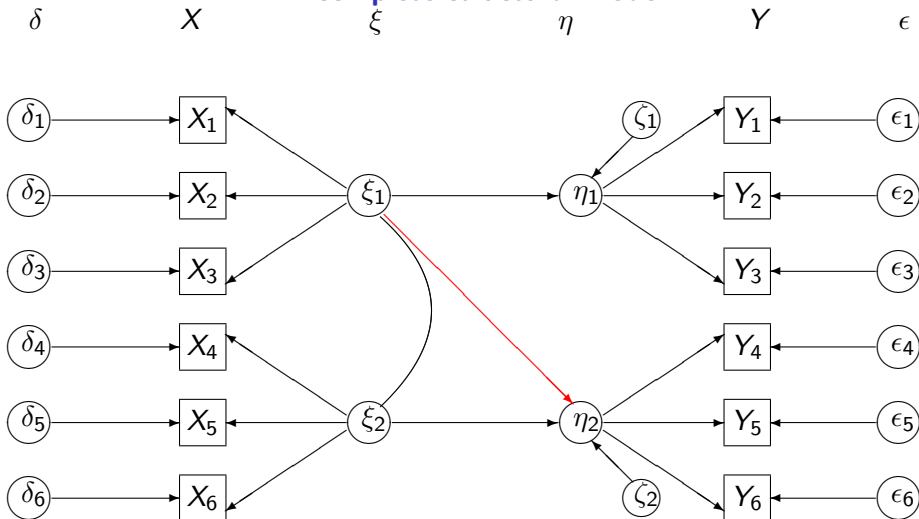
A measurement model for X

 δ
 X
 ξ


A measurement model for Y



A complete structural model



Data Analysis: using R to analyze Graduate School Applicants

The data are taken from an Excel file downloaded from the Graduate School. They were then copied into R and saved as a .rds file. First, get the file and download to your machine. Use your browser:

<http://personality-project.org/revelle/syllabi/454/grad.rds> Then, load the file using read.file.

First, examine the data to remove outliers.

```
> library(psych) #necessary first time you use psych package
> grad <- read.file() #find the grad.rds file using your finder
> describe(grad)
```

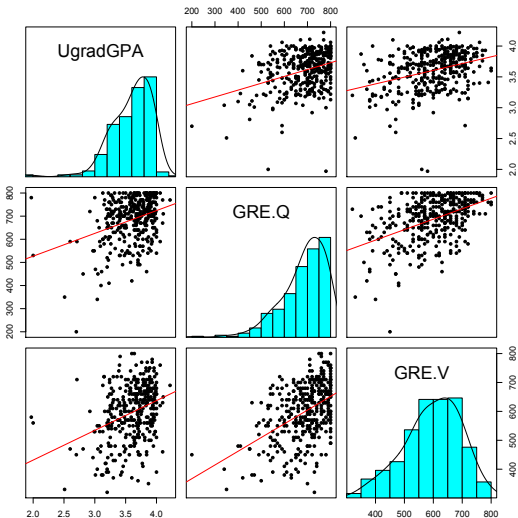
	vars	n	mean	sd	median	trimmed	mad	min	max	range	skew	kurtosis	se
V.Gre	1	256	587.23	103.54	590.0	591.41	103.78	300.00	800	500.00	-0.33	-0.43	6.47
Q.Gre	2	256	626.48	113.10	640.0	636.65	103.78	220.00	800	580.00	-1.04	1.49	7.07
A.Gre	3	256	626.84	116.31	650.0	635.44	118.61	310.00	800	490.00	-0.60	-0.37	7.27
P.Gre	4	213	617.79	82.42	640.0	622.46	74.13	350.00	780	430.00	-0.55	-0.12	5.65
X2.GPA	5	217	3.61	0.37	3.7	3.66	0.34	2.15	4	1.85	-1.25	1.47	0.03
X4.GPA	6	218	3.45	0.38	3.5	3.47	0.43	2.17	4	1.83	-0.62	-0.10	0.03

```
#clean up the data, remove GPA > 5
> grad1 <- scrub(grad,1,max=5)
> describe(grad1)
```

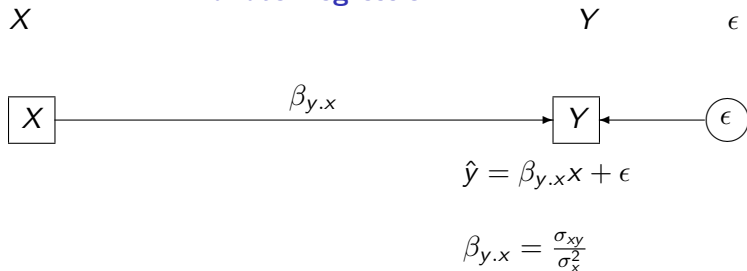
Then, draw a Scatter Plot Matrix of the data.

Scatter Plot Matrix of Psychology Graduate Applicants

```
pairs.panels(grad1,cor=FALSE,ellipses=FALSE,smooth=FALSE,lm=TRUE)
```



Bivariate Regression



Bivariate Regression

δ

X

Y

ϵ



$$\hat{y} = \beta_{y.x}x + \epsilon$$

$$\beta_{y.x} = \frac{\sigma_{xy}}{\sigma_x^2}$$



$$\hat{x} = \beta_{x.y}y + \delta$$

$$\beta_{y.x} = \frac{\sigma_{xy}}{\sigma_y^2}$$

Bivariate Correlation

X

Y



$$\hat{x} = \beta_{x.y}y + \delta$$

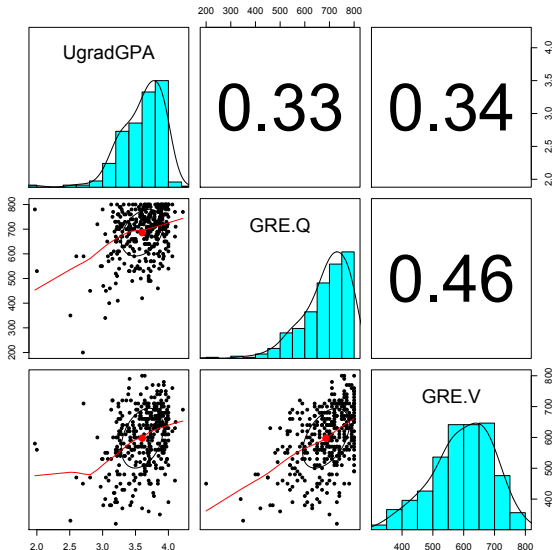
$$\hat{y} = \beta_{y.x}x + \epsilon$$

$$\beta_{y.x} = \frac{\sigma_{xy}}{\sigma_y^2}$$

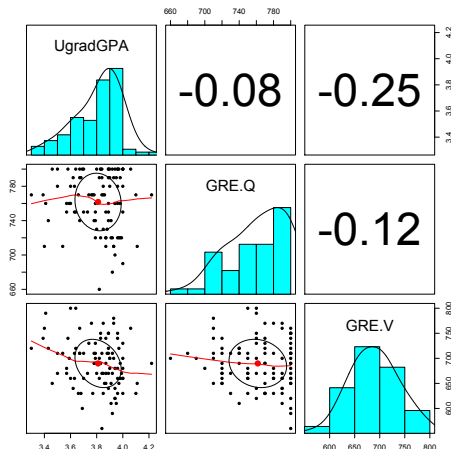
$$\beta_{y.x} = \frac{\sigma_{xy}}{\sigma_x^2}$$

$$r_{xy} = \frac{\sigma_{xy}}{\sqrt{\sigma_x^2 \sigma_y^2}}$$

Scatter Plot Matrix showing correlation and LOESS regression

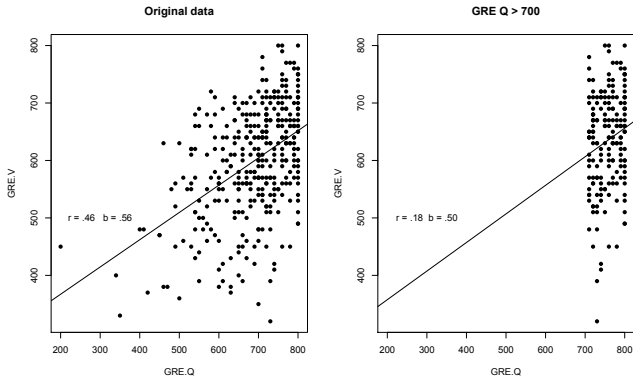


The effect of selection on the correlation



- Consider what happens if we select a subset
 - The “Oregon” model
 - $(\text{GPA} + (\text{V} + \text{Q})/200) > 11.6$
- The range is truncated, but even more important, by using a compensatory selection model, we have changed the sign of the correlations.

Regression and restriction of range



Although the correlation is very sensitive, regression slopes are relatively insensitive to restriction of range.

R code for regression figures

```
gradq <- subset(gradf,gradf[2]>700) #choose the subset
with(gradq,lm(GRE.V ~ GRE.Q)) #do the regression
Call:
lm(formula = GRE.V ~ GRE.Q)
Coefficients:
(Intercept)      GRE.Q
    258.1549      0.4977

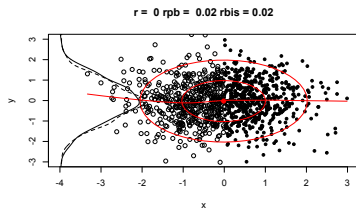
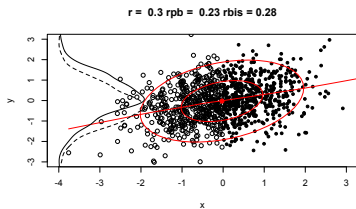
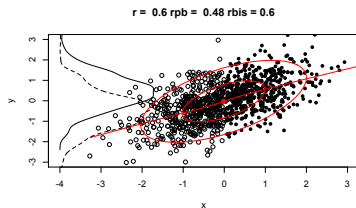
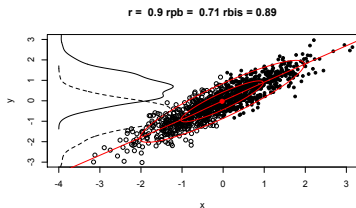
#show the graphic
op <- par(mfrow=c(1,2)) #two panel graph
with(gradf,{
  plot(GRE.V ~ GRE.Q,xlim=c(200,800), main="Original data", pch=16)
  abline(lm(GRE.V ~ GRE.Q))
} )
text(300,500,"r = .46   b = .56")
with(gradq,{
  plot(GRE.V ~ GRE.Q,xlim=c(200,800),main="GRE Q > 700",pch=16)
  abline(lm(GRE.V ~ GRE.Q))
} )
text(300,500,"r = .18   b = .50")
op <- par(mfrow=c(1,1)) #switch back to one panel
```


Alternative versions of the correlation coefficient

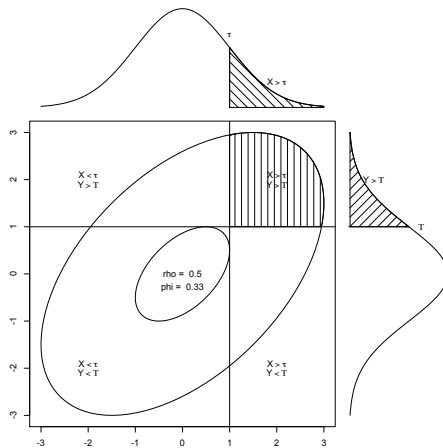
Table: A number of correlations are Pearson r in different forms, or with particular assumptions. If $r = \frac{\sum x_i y_i}{\sqrt{\sum x_i^2 \sum y_i^2}}$, then depending upon the type of data being analyzed, a variety of correlations are found.

Coefficient	symbol	X	Y	Assumptions
Pearson	r	continuous	continuous	
Spearman	ρ (ρ)	ranks	ranks	
Point bi-serial	r_{pb}	dichotomous	continuous	
Phi	ϕ	dichotomous	dichotomous	
Bi-serial	r_{bis}	dichotomous	continuous	normality
Tetrachoric	r_{tet}	dichotomous	dichotomous	bivariate normality
Polychoric	r_{pc}	categorical	categorical	bivariate normality

The biserial correlation estimates the latent correlation

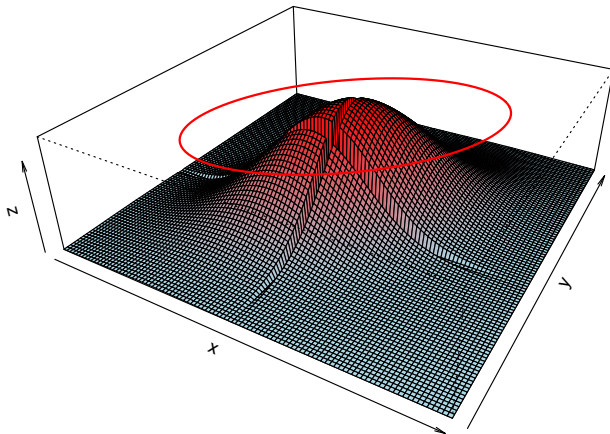


The tetrachoric correlation estimates the latent correlation



The tetrachoric correlation estimates the latent correlation

Bivariate density $\rho = 0.5$



Cautions about correlations–The Anscombe data set

Consider the following 8 variables

```
describe(anscombe)
```

	vars	n	mean	sd	median	trimmed	mad	min	max	range	skew	kurtosis	se
x1	1	11	9.0	3.32	9.00	9.00	4.45	4.00	14.00	10.00	0.00	-1.53	1.00
x2	2	11	9.0	3.32	9.00	9.00	4.45	4.00	14.00	10.00	0.00	-1.53	1.00
x3	3	11	9.0	3.32	9.00	9.00	4.45	4.00	14.00	10.00	0.00	-1.53	1.00
x4	4	11	9.0	3.32	8.00	8.00	0.00	8.00	19.00	11.00	2.47	4.52	1.00
y1	5	11	7.5	2.03	7.58	7.49	1.82	4.26	10.84	6.58	-0.05	-1.20	0.61
y2	6	11	7.5	2.03	8.14	7.79	1.47	3.10	9.26	6.16	-0.98	-0.51	0.61
y3	7	11	7.5	2.03	7.11	7.15	1.53	5.39	12.74	7.35	1.38	1.24	0.61
y4	8	11	7.5	2.03	7.04	7.20	1.90	5.25	12.50	7.25	1.12	0.63	0.61

```
summary(lm(y1~x1,data=anscombe)) #show one of the regressions
Coefficients:
```

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	3.0001	1.1247	2.667	0.02573 *
x1	0.5001	0.1179	4.241	0.00217 **

Residual standard error: 1.237 on 9 degrees of freedom

Multiple R-squared: 0.6665, Adjusted R-squared: 0.6295

F-statistic: 17.99 on 1 and 9 DF, p-value: 0.00217

Anscombe (1973)

Cautions, Anscombe continued

With regressions of

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	3.0000909	1.1247468	2.667348	0.025734051
x1	0.5000909	0.1179055	4.241455	0.002169629

[[2]]

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	3.000909	1.1253024	2.666758	0.025758941
x2	0.500000	0.1179637	4.238590	0.002178816

[[3]]

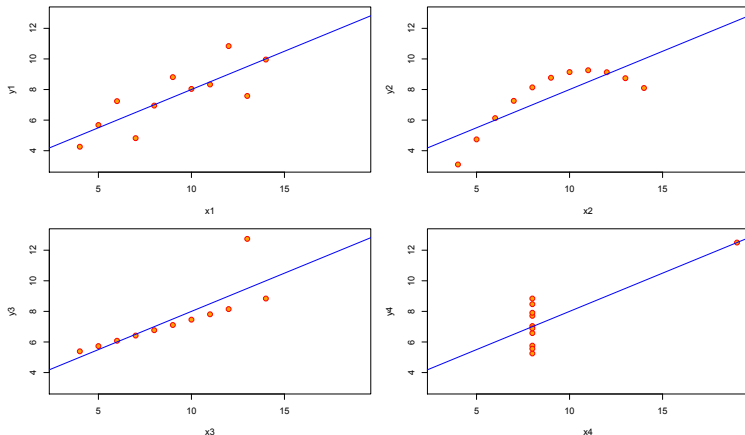
	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	3.0024545	1.1244812	2.670080	0.025619109
x3	0.4997273	0.1178777	4.239372	0.002176305

[[4]]

	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	3.0017273	1.1239211	2.670763	0.025590425
x4	0.4999091	0.1178189	4.243028	0.002164602

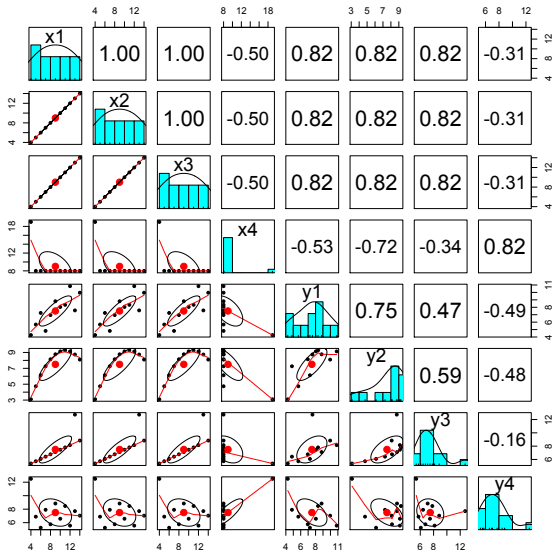
Cautions about correlations: Anscombe data set

Anscombe's 4 Regression data sets



Moral: Always plot your data!

Cautions about correlations: Anscombe data set

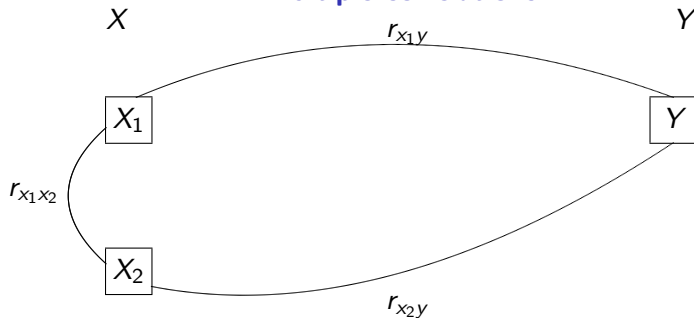


The ubiquitous correlation coefficient

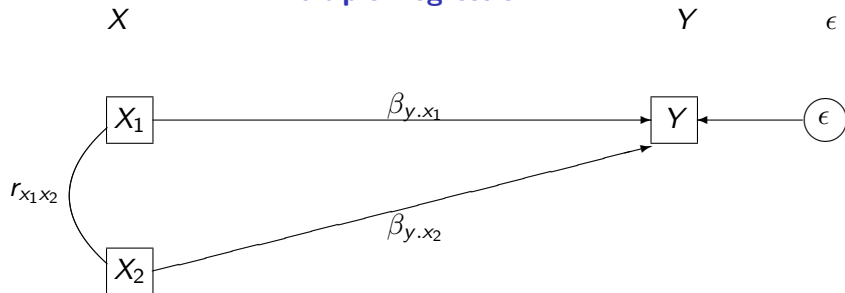
Table: Alternative Estimates of effect size. Using the correlation as a scale free estimate of effect size allows for combining experimental and correlational data in a metric that is directly interpretable as the effect of a standardized unit change in x leads to r change in standardized y.

Statistic	Estimate	r equivalent	as a function of r
Pearson correlation	$r_{xy} = \frac{C_{xy}}{\sigma_x \sigma_y}$	r_{xy}	
Regression	$b_{y.x} = \frac{C_{xy}}{\sigma_x^2}$	$r = b_{y.x} \frac{\sigma_y}{\sigma_x}$	$b_{y.x} = r \frac{\sigma_x}{\sigma_y}$
Cohen's d	$d = \frac{X_1 - X_2}{\sigma_x}$	$r = \frac{d}{\sqrt{d^2 + 4}}$	$d = \frac{2r}{\sqrt{1-r^2}}$
Hedge's g	$g = \frac{X_1 - X_2}{s_x}$	$r = \frac{g}{\sqrt{g^2 + 4(df/N)}}$	$g = \frac{2r\sqrt{df/N}}{\sqrt{1-r^2}}$
t - test	$t = \frac{d\sqrt{df}}{2}$	$r = \sqrt{t^2 / (t^2 + df)}$	$t = \sqrt{\frac{r^2 df}{1-r^2}}$
F-test	$F = \frac{d^2 df}{4}$	$r = \sqrt{F / (F + df)}$	$F = \frac{r^2 df}{1-r^2}$
Chi Square		$r = \sqrt{\chi^2 / n}$	$\chi^2 = r^2 n$
Odds ratio	$d = \frac{\ln(OR)}{1.81}$	$r = \frac{\ln(OR)}{1.81\sqrt{(\ln(OR)/1.81)^2 + 4}}$	$\ln(OR) = \frac{3.62r}{\sqrt{1-r^2}}$
$r_{equivalent}$	r with probability p	$r = r_{equivalent}$	

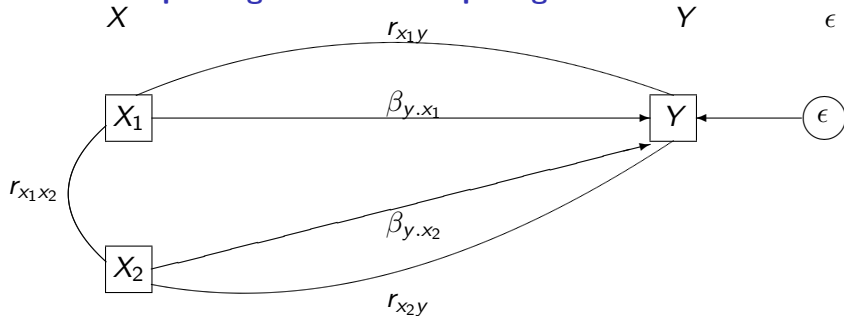
Multiple correlations



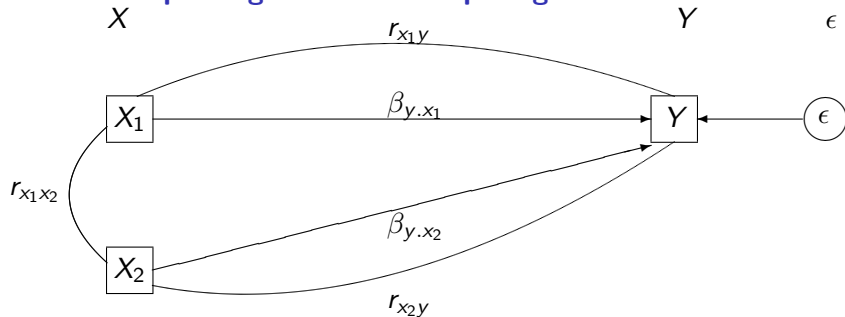
Multiple Regression



Multiple Regression: decomposing correlations



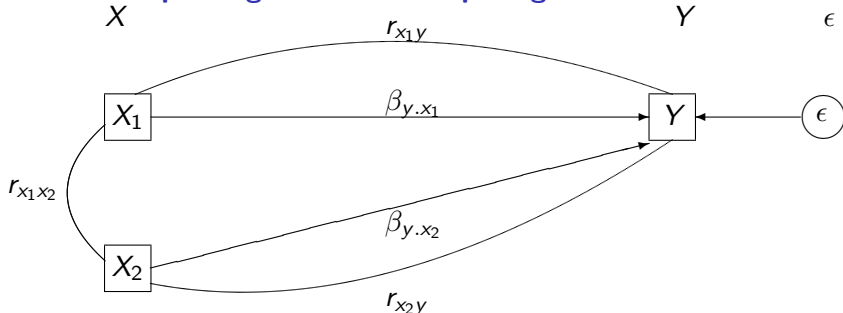
Multiple Regression: decomposing correlations



$$r_{x_1y} = \underbrace{\beta_{y.x_1}}_{\text{direct}} + \underbrace{r_{x_1x_2}\beta_{y.x_2}}_{\text{indirect}}$$

$$r_{x_2y} = \underbrace{\beta_{y.x_2}}_{\text{direct}} + \underbrace{r_{x_1x_2}\beta_{y.x_1}}_{\text{indirect}}$$

Multiple Regression: decomposing correlations



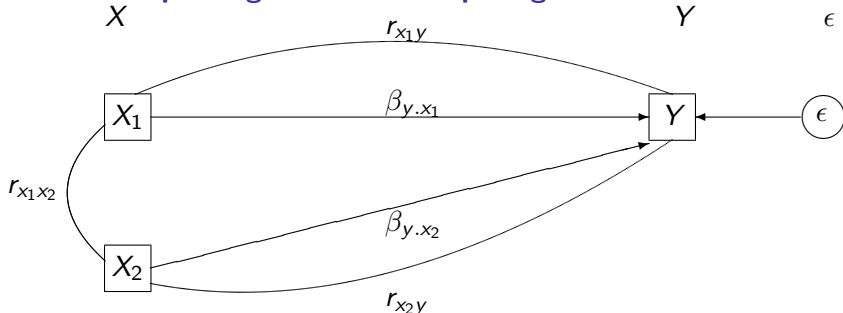
$$r_{X_1Y} = \underbrace{\beta_{y.x1}}_{\text{direct}} + \underbrace{r_{X_1X_2}\beta_{y.x2}}_{\text{indirect}}$$

$$\beta_{y.x1} = \frac{r_{X_1Y} - r_{X_1X_2}r_{X_2Y}}{1 - r_{X_1X_2}^2}$$

$$r_{X_2Y} = \underbrace{\beta_{y.x2}}_{\text{direct}} + \underbrace{r_{X_1X_2}\beta_{y.x1}}_{\text{indirect}}$$

$$\beta_{y.x2} = \frac{r_{X_2Y} - r_{X_1X_2}r_{X_1Y}}{1 - r_{X_1X_2}^2}$$

Multiple Regression: decomposing correlations



$$r_{X_1Y} = \underbrace{\beta_{y.x1}}_{\text{direct}} + \underbrace{r_{X_1X_2}\beta_{y.x2}}_{\text{indirect}}$$

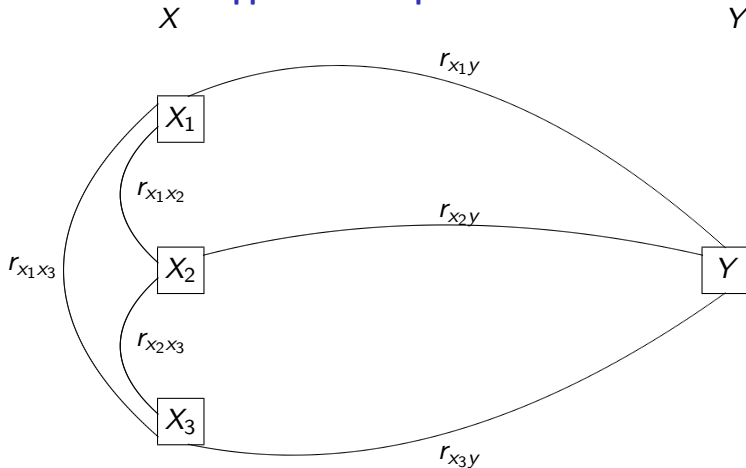
$$\beta_{y.x1} = \frac{r_{X_1Y} - r_{X_1X_2}r_{X_2Y}}{1 - r_{X_1X_2}^2}$$

$$r_{X_2Y} = \underbrace{\beta_{y.x2}}_{\text{direct}} + \underbrace{r_{X_1X_2}\beta_{y.x1}}_{\text{indirect}}$$

$$\beta_{y.x2} = \frac{r_{X_2Y} - r_{X_1X_2}r_{X_1Y}}{1 - r_{X_1X_2}^2}$$

$$R^2 = r_{X_1Y}\beta_{y.x1} + r_{X_2Y}\beta_{y.x2}$$

What happens with 3 predictors? The correlations

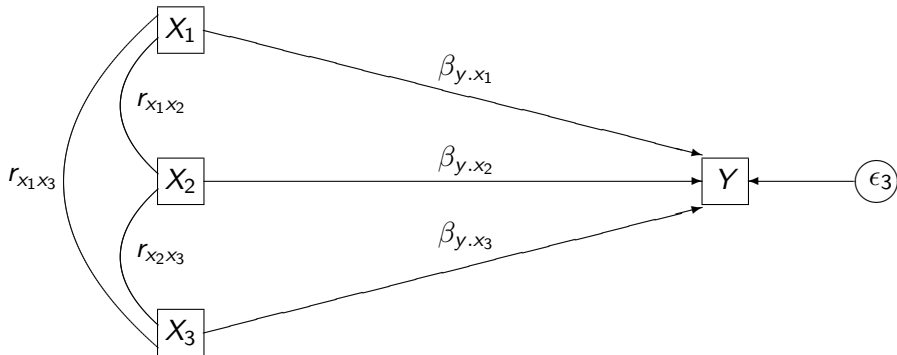


What happens with 3 predictors? β weights

X

Y

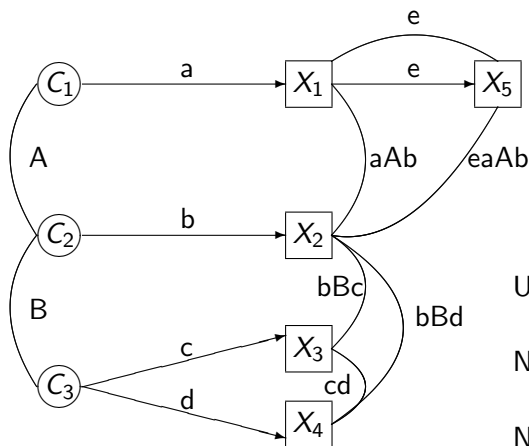
ϵ



Multiple regression and linear algebra

- Multiple regression requires solving multiple, simultaneous equations to estimate the direct and indirect effects.
 - Each equation is expressed as a $r_{x_i y}$ in terms of direct and indirect effects.
 - Direct effect is $\beta_{y \cdot x_i}$
 - Indirect effect is $\sum_{j \neq i} \beta_{y \cdot x_j} r_{x_i x_j}$
- How to solve these equations?
- Tediously, or just use **linear algebra**

The basic rules of path analysis—think genetics



Up ... and over and down ...

No down and up

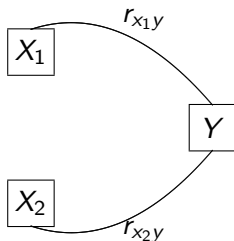
No double overs

Up ... and down ...

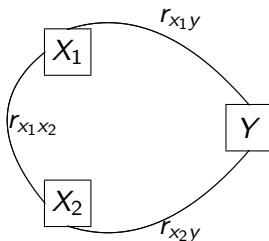
Parents cause children
children do not cause parents

3 special cases of regression

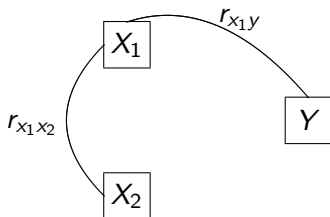
Orthogonal predictors



Correlated predictors

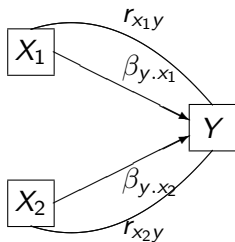


Suppressive predictors

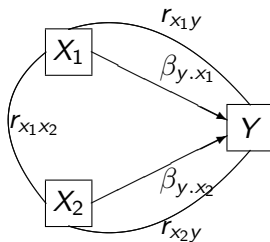


3 special cases of regression

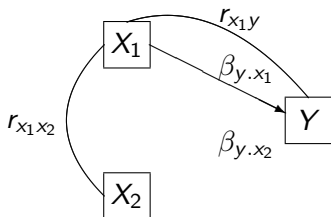
Orthogonal predictors



Correlated predictors



Suppressive predictors

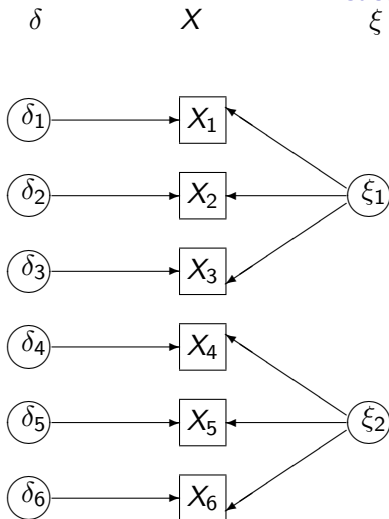


$$\beta_{y.x_1} = \frac{r_{x_1 y} - r_{x_1 x_2} r_{x_2 y}}{1 - r_{x_1 x_2}^2}$$

$$\beta_{y.x_2} = \frac{r_{x_2y} - r_{x_1x_2} r_{x_1y}}{1 - r_{x_1x_2}^2}$$

$$R^2 = r_{x_1y}\beta_{y.x_1} + r_{x_2y}\beta_{y.x_2}$$

A measurement model for X

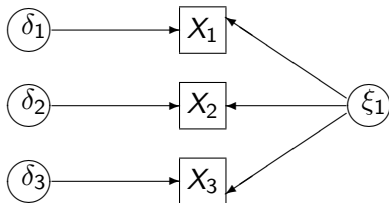


Congeneric Reliability

δ

X

ξ



Creating a congeneric model

```
> cong <- sim.congeneric()
> cong
```

	V1	V2	V3	V4
V1	1.00	0.56	0.48	0.40
V2	0.56	1.00	0.42	0.35
V3	0.48	0.42	1.00	0.30
V4	0.40	0.35	0.30	1.00

Factor a 1 factor model

```
> f <- fa(cong)
> f
```

Factor Analysis using method = minres
Call: fa(r = cong)
Standardized loadings based upon
correlation matrix

	MR1	h2	u2	com
V1	0.8	0.64	0.36	1
V2	0.7	0.49	0.51	1
V3	0.6	0.36	0.64	1
V4	0.5	0.25	0.75	1

MR1
SS loadings 1.74
Proportion Var 0.44

```
> cong <- sim.congeneric()
> cong
```

	V1	V2	V3	V4
V1	1.00	0.56	0.48	0.40
V2	0.56	1.00	0.42	0.35
V3	0.48	0.42	1.00	0.30
V4	0.40	0.35	0.30	1.00

Factoring $\neq$ components !

```
> f <- fa(cong)
> f
```

Factor Analysis using method = minres
 Call: fa(r = cong)
 Standardized loadings based
 upon correlation matrix

	MR1	h2	u2	com
V1	0.8	0.64	0.36	1
V2	0.7	0.49	0.51	1
V3	0.6	0.36	0.64	1
V4	0.5	0.25	0.75	1

	MR1
SS loadings	1.74
Proportion Var	0.44

```
> p <- principal(cong)
> p
```

Principal Components Analysis
 Call: principal(r = cong)
 Standardized loadings (pattern matrix) based
 upon correlation matrix

	PC1	h2	u2	com
V1	0.83	0.69	0.31	1
V2	0.79	0.62	0.38	1
V3	0.73	0.53	0.47	1
V4	0.65	0.43	0.57	1

	PC1
SS loadings	2.27
Proportion Var	0.57

Exploratory factoring a congeneric model

Factor Analysis using method = minres

Call: fa(r = cong)

Standardized loadings based upon correlation matrix

	MR1	h2	u2
V1	0.8	0.64	0.36
V2	0.7	0.49	0.51
V3	0.6	0.36	0.64
V4	0.5	0.25	0.75

MR1

SS loadings 1.74

Proportion Var 0.44

Test of the hypothesis that 1 factor is sufficient.

The degrees of freedom for the null model are 6 and the objective function was

The degrees of freedom for the model are 2 and the objective function was 0

The root mean square of the residuals is 0

The df corrected root mean square of the residuals is 0

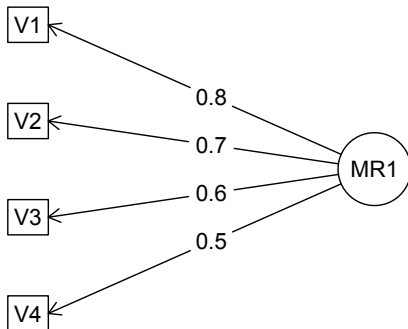
Fit based upon off diagonal values = 1

Measures of factor score adequacy

	MR1
Correlation of scores with factors	0.89
Multiple R square of scores with factors	0.78
Minimum correlation of possible factor scores	0.57

Show the structure

Factor Analysis



Congeneric with some noise

```
> cong1 <- sim.congeneric(N=500,short=FALSE)
> cong1
```

Call: NULL

\$model (Population correlation matrix)

	V1	V2	V3	V4
V1	1.00	0.56	0.48	0.40
V2	0.56	1.00	0.42	0.35
V3	0.48	0.42	1.00	0.30
V4	0.40	0.35	0.30	1.00

\$r (Sample correlation matrix for sample size = 500)

	V1	V2	V3	V4
V1	1.00	0.55	0.49	0.42
V2	0.55	1.00	0.45	0.38
V3	0.49	0.45	1.00	0.35
V4	0.42	0.38	0.35	1.00

Add noise to the model

```
> cong1 <- sim.congeneric(N=500,short=FALSE)
> cong1
Call: NULL
```

```
$model (Population correlation matrix) Factor Analysis using method = minres
```

```
      V1  V2  V3  V4
V1 1.00 0.56 0.48 0.40
V2 0.56 1.00 0.42 0.35
V3 0.48 0.42 1.00 0.30
V4 0.40 0.35 0.30 1.00
```

```
$r (Sample correlation matrix
for sample size = 500 )
```

```
      V1  V2  V3  V4
V1 1.00 0.55 0.49 0.42
V2 0.55 1.00 0.45 0.38
V3 0.49 0.45 1.00 0.35
V4 0.42 0.38 0.35 1.00
```

```
> f <- fa(cong1$observed)
> f
```

```
Call: fa(r = cong1$observed)
```

```
Standardized loadings based upon correlation matrix
```

```
      MR1  h2  u2
V1 0.77 0.60 0.40
V2 0.71 0.50 0.50
V3 0.63 0.40 0.60
V4 0.54 0.29 0.71
```

```
      MR1
SS loadings 1.79
Proportion Var 0.45
```


Factor a 1 dimensional model

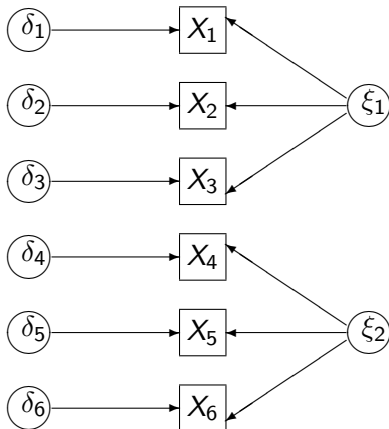
```
Factor Analysis using method = minres
Call: fa(r = congl$observed)
Standardized loadings based upon correlation matrix
      MR1   h2   u2
V1 0.77 0.60 0.40
V2 0.71 0.50 0.50
V3 0.63 0.40 0.60
V4 0.54 0.29 0.71
      MR1
SS loadings   1.79
Proportion Var 0.45
Test of the hypothesis that 1 factor is sufficient.
The degrees of freedom for the null model are 6 and the objective function was 0.95 with Chi Square of
The degrees of freedom for the model are 2 and the objective function was 0
The root mean square of the residuals is 0
The df corrected root mean square of the residuals is 0.01
The number of observations was 500 with Chi Square = 0.11 with prob < 0.95
Tucker Lewis Index of factoring reliability = 1.012
RMSEA index = 0 and the 90 % confidence intervals are 0 0.034
BIC = -12.32
Fit based upon off diagonal values = 1
Measures of factor score adequacy
      MR1
Correlation of scores with factors   0.88
Multiple R square of scores with factors   0.78
Minimum correlation of possible factor scores 0.56
```

Factor Analysis

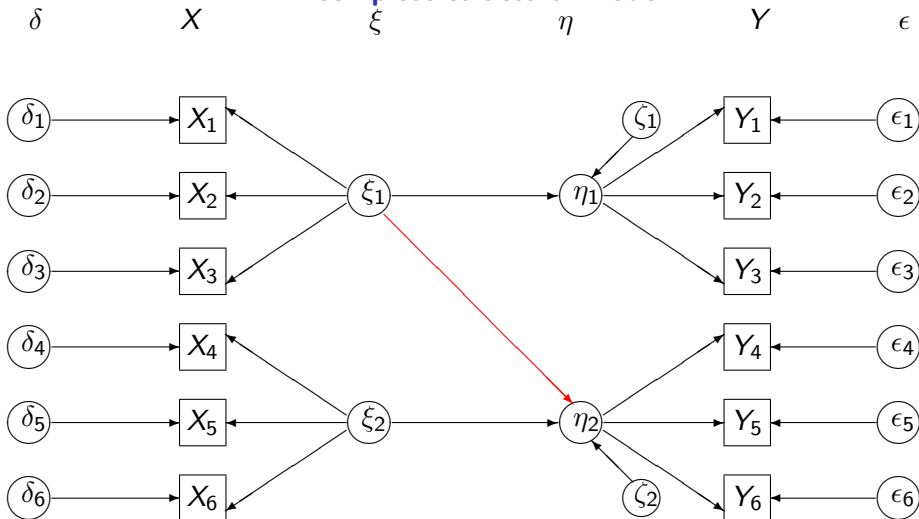
δ

X

ξ



A complete structural model



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