Chapter 20

Two Categorical Variables:
The Chi-Square Test

Relationships: Categorical Variables

◆ Chapter 19: compare proportions of successes for two groups
  – "Group" is explanatory variable (2 levels)
  – "Success or Failure" is outcome (2 values)
◆ Chapter 20: “is there a relationship between two categorical variables?”
  – may have 2 or more groups (one variable)
  – may have 2 or more outcomes (2nd variable)

Two-Way Tables

◆ Recall from Chapter 6:
  – When there are two categorical variables, the data are summarized in a two-way table
  – The number of observations falling into each combination of the two categorical variables is entered into each cell of the table
  – Relationships between categorical variables are described by calculating appropriate percents from the counts given in the table
Case Study
Health Care: Canada and U.S.

Data from patients’ own assessment of their quality of life relative to what it had been before their heart attack (data from patients who survived at least a year)


### Case Study
Health Care: Canada and U.S.

<table>
<thead>
<tr>
<th>Quality of life</th>
<th>Canada</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>75</td>
<td>541</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>71</td>
<td>498</td>
</tr>
<tr>
<td>About the same</td>
<td>96</td>
<td>779</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>50</td>
<td>282</td>
</tr>
<tr>
<td>Much worse</td>
<td>19</td>
<td>65</td>
</tr>
<tr>
<td>Total</td>
<td>311</td>
<td>2165</td>
</tr>
</tbody>
</table>

Compare the Canadian group to the U.S. group in terms of feeling much better:

We have that 75 Canadians reported feeling much better, compared to 541 Americans.

The groups appear greatly different, but look at the group totals.
**Case Study**

Health Care: Canada and U.S.

Compare the Canadian group to the U.S. group in terms of feeling much better:

<table>
<thead>
<tr>
<th>Quality of life</th>
<th>Canada</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>About the same</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Much worse</td>
<td>6%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Total 100% 100%

Change the counts to percents

Now, with a fairer comparison using percents, the groups appear very similar in terms of feeling much better.

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**Case Study**

Health Care: Canada and U.S.

Is there a relationship between the explanatory variable (Country) and the response variable (Quality of life)?

Look at the conditional distributions of the response variable (Quality of life), given each level of the explanatory variable (Country).

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**Conditional Distributions**

- If the conditional distributions of the second variable are nearly the same for each category of the first variable, then we say that there is not an association between the two variables.
- If there are significant differences in the conditional distributions for each category, then we say that there is an association between the two variables.
Hypothesis Test

In tests for two categorical variables, we are interested in whether a relationship observed in a single sample reflects a real relationship in the population.

Hypotheses:
- Null: the percentages for one variable are the same for every level of the other variable (no difference in conditional distributions). (No real relationship).
- Alt: the percentages for one variable vary over levels of the other variable. (Is a real relationship).

Case Study

Health Care: Canada and U.S.

Null hypothesis:
The percentages for one variable are the same for every level of the other variable.
(No real relationship).

<table>
<thead>
<tr>
<th>Quality of life</th>
<th>Canada</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>24%</td>
<td>25%</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>About the same</td>
<td>31%</td>
<td>36%</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Much worse</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

For example, could look at differences in percentages between Canada and U.S. for each level of “Quality of life”:
- 24% vs. 25% for those who felt ‘Much better’,
- 23% vs. 23% for ‘Somewhat better’, etc.

Problem of multiple comparisons!

Multiple Comparisons

Problem of how to do many comparisons at the same time with some overall measure of confidence in all the conclusions

Two steps:
- overall test to test for any differences
- follow-up analysis to decide which parameters (or groups) differ and how large the differences are

Follow-up analyses can be quite complex; we will look at only the overall test for a relationship between two categorical variables
Hypothesis Test

- H₀: no real relationship between the two categorical variables that make up the rows and columns of a two-way table
- To test H₀, compare the observed counts in the table (the original data) with the expected counts (the counts we would expect if H₀ were true)
  - if the observed counts are far from the expected counts, that is evidence against H₀ in favor of a real relationship between the two variables

Expected Counts

- The expected count in any cell of a two-way table (when H₀ is true) is
  \[ \text{expected count} = \frac{(\text{row total}) \times (\text{column total})}{\text{table total}} \]
- The development of this formula is based on the fact that the number of expected successes in \( n \) independent tries is equal to \( n \) times the probability \( p \) of success on each try (expected count = \( n \times p \))
  - Example: find expected count in certain row and column (cell):
    \[ p = \frac{\text{proportion in row}}{\text{table total}}; \quad n = \text{column total}; \quad \text{expected count in cell} = np = \frac{(\text{row total})(\text{column total})}{\text{table total}} \]

Case Study

Health Care: Canada and U.S.

For the observed data to the right, find the expected value for each cell:

<table>
<thead>
<tr>
<th>Quality of Life</th>
<th>Canada</th>
<th>United States</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>75</td>
<td>541</td>
<td>616</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>71</td>
<td>499</td>
<td>570</td>
</tr>
<tr>
<td>About the same</td>
<td>96</td>
<td>779</td>
<td>875</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>50</td>
<td>282</td>
<td>332</td>
</tr>
<tr>
<td>Much worse</td>
<td>19</td>
<td>65</td>
<td>84</td>
</tr>
<tr>
<td>Total</td>
<td>211</td>
<td>2166</td>
<td>2377</td>
</tr>
</tbody>
</table>

For the expected count of Canadians who feel ‘Much better’ (expected count for Row 1, Column 1):

\[ \text{expected count} = \frac{(\text{row total}) \times (\text{column total})}{\text{table total}} = \frac{616 \times 311}{2476} = 77.37 \]
Case Study
Health Care: Canada and U.S.

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<td>282</td>
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<tr>
<td>Much worse</td>
<td>19</td>
<td>66</td>
</tr>
</tbody>
</table>

Observed counts:

Expected counts:

Compare to see if the data support the null hypothesis.

Chi-Square Statistic

To determine if the differences between the observed counts and expected counts are statistically significant (to show a real relationship between the two categorical variables), we use the chi-square statistic:

$$X^2 = \sum \frac{(observed \ count - expected \ count)^2}{expected \ count}$$

where the sum is over all cells in the table.

Chi-Square Statistic

The chi-square statistic is a measure of the distance of the observed counts from the expected counts:

- is always zero or positive
- is only zero when the observed counts are exactly equal to the expected counts
- large values of $X^2$ are evidence against $H_0$ because these would show that the observed counts are far from what would be expected if $H_0$ were true
- the chi-square test is one-sided (any violation of $H_0$ produces a large value of $X^2$)
**Case Study**

**Health Care: Canada and U.S.**

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<td>65</td>
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<thead>
<tr>
<th>Quality of life</th>
<th>Canada</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>77.37</td>
<td>538.63</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>71.47</td>
<td>497.53</td>
</tr>
<tr>
<td>About the same</td>
<td>109.91</td>
<td>765.99</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>41.70</td>
<td>290.30</td>
</tr>
<tr>
<td>Much worse</td>
<td>10.55</td>
<td>73.45</td>
</tr>
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\[
X^2 = \sum \frac{(75 - 77.37)^2}{77.37} + \frac{(541 - 538.63)^2}{538.63} + \ldots
\]

\[
= 0.073 + 0.010 + \ldots
\]

\[
= 11.725
\]

**Chi-Square Test**

- Calculate value of chi-square statistic
  - by hand (cumbersome)
  - using technology (computer software, etc.)
- Find P-value in order to reject or fail to reject H₀
  - use chi-square table for chi-square distribution (next few slides)
  - from computer output
- If significant relationship exists (small P-value):
  - compare appropriate percents in data table
  - compare individual observed and expected cell counts
  - look at individual terms in the chi-square statistic

**Case Study**

**Health Care: Canada and U.S.**

Using Technology:
Chi-Square Distributions

- Family of distributions that take only positive values and are skewed to the right
- Specific chi-square distribution is specified by giving its degrees of freedom (similar to t distn)

Chi-Square Test

- Chi-square test for a two-way table with \( r \) rows and \( c \) columns uses critical values from a chi-square distribution with \( (r - 1)(c - 1) \) degrees of freedom
- \( P \)-value is the area to the right of \( X^2 \) under the density curve of the chi-square distribution
  - use chi-square table

Table E: Chi-Square Table

- See page 660 in text for Table E ("Chi-square Table")
- The process for using the chi-square table (Table E) is identical to the process for using the t-table (Table C, page 655), as discussed in Chapter 16
- For particular degrees of freedom (\( df \)) in the left margin of Table E, locate the \( X^2 \) critical value (\( x^* \)) in the body of the table; the corresponding probability (\( p \)) of lying to the right of this value is found in the top margin of the table (this is how to find the \( P \)-value for a chi-square test)
Case Study
Health Care: Canada and U.S.

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<td>66</td>
</tr>
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</table>

$X^2 = 11.725$

$df = (r-1)(c-1) = (5-1)(2-1) = 4$

Look in the df=4 row of Table E; the value $X^2 = 11.725$ falls between the 0.02 and 0.01 critical values.
Thus, the $P$-value for this chi-square test is between 0.01 and 0.02 (is actually 0.019482).

** $P$-value < .05, so we conclude a significant relationship **

Uses of the Chi-Square Test

- Tests the null hypothesis
- $H_0$: no relationship between two categorical variables
- when you have a two-way table from either of these situations:
  - Independent SRSs from each of several populations, with each individual classified according to one categorical variable
    - Example: Health Care case study; two samples (Canadians & Americans); each individual classified according to “Quality of life”
  - A single SRS with each individual classified according to both of two categorical variables
    - Example: Sample of 8235 subjects, with each classified according to their “Job Grade” (1, 2, 3, or 4) and their “Marital Status” (Single, Married, Divorced, or Widowed)

Chi-Square Test: Requirements

- The chi-square test is an approximate method, and becomes more accurate as the counts in the cells of the table get larger
- The following must be satisfied for the approximation to be accurate:
  - No more than 20% of the expected counts are less than 5
  - All individual expected counts are 1 or greater
- If these requirements fail, then two or more groups must be combined to form a new ("smaller") two-way table
Chi-Square Test and Z Test

- If a two-way table consists of \( r = 2 \) rows (representing 2 groups) and the columns represent "success" and "failure" (so \( c = 2 \)), then we will have a \( 2 \times 2 \) table that essentially compares two proportions (the proportions of "successes" for the 2 groups)
  - this would yield a chi-square test with 1 df
  - we could also use the \( z \) test from Chapter 19 for comparing two proportions
  - ** these will give identical results **

Chi-Square Test and Z Test

- For a \( 2 \times 2 \) table, the \( \chi^2 \) with \( df = 1 \) is just the square of the \( z \) statistic
  - \( P \)-value for \( \chi^2 \) will be the same as the two-sided \( P \)-value for \( z \)
  - should use the \( z \) test to compare two proportions, because it gives the choice of a one-sided or two-sided test (and is also related to a confidence interval for the difference in two proportions)

Chi-Square Goodness of Fit Test

- A variation of the Chi-square statistic can be used to test a different kind of null hypothesis: that a single categorical variable has a specific distribution
- The null hypothesis specifies the probabilities \( (p_i) \) of each of the \( k \) possible outcomes of the categorical variable
- The chi-square goodness of fit test compares the observed counts for each category with the expected counts under the null hypothesis
Chi-Square Goodness of Fit Test

- H₀: \( p_1 = p_{10}, p_2 = p_{20}, \ldots, p_k = p_{k0} \)
- H₁: proportions are not as specified in H₀
- For a sample of \( n \) subjects, observe how many subjects fall in each category
- Calculate the expected number of subjects in each category under the null hypothesis: expected count = \( n \times p_i \) for the \( i \)th category

Chi-Square Goodness of Fit Test

- Calculate the chi-square statistic (same as in previous test):
  \[
  \chi^2 = \sum_{i=1}^{k} \frac{(\text{observed count} - \text{expected count})^2}{\text{expected count}}
  \]
- The degrees of freedom for this statistic are \( df = k - 1 \) (the number of possible categories minus one)
- Find \( P \)-value using Table E

THE CHI-SQUARE TEST FOR GOODNESS OF FIT

A categorical variable has \( k \) possible outcomes, with probabilities \( p_1, p_2, \ldots, p_k \). That is, \( p_i \) is the probability of the \( i \)th outcome. We have \( n \) independent observations from this categorical variable.

To test the null hypothesis that the probabilities have specified values

\( H_0: p_1 = p_{10}, p_2 = p_{20}, \ldots, p_k = p_{k0} \)

use the chi-square statistic

\[
\chi^2 = \sum \frac{\text{count of outcome } i - n p_{i0}}{n p_{i0}}^2
\]

The \( P \)-value is the area to the right of \( \chi^2 \) under the density curve of the chi-square distribution with \( k - 1 \) degrees of freedom.
Case Study
Births on Weekends?


A random sample of 140 births from local records was collected to show that there are fewer births on Saturdays and Sundays than there are on weekdays.

Do these data give significant evidence that local births are not equally likely on all days of the week?

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Births</td>
<td>13</td>
<td>23</td>
<td>24</td>
<td>20</td>
<td>27</td>
<td>18</td>
<td>15</td>
</tr>
</tbody>
</table>

Null Hypothesis

$H_0$: probabilities are the same on all days

$H_0: p_1 = p_2 = p_3 = p_4 = p_5 = p_6 = p_7 = \ldots$
Case Study
Births on Weekends?

Expected Counts

Expected count = \( n \times p_i = 140 \times \frac{1}{7} = 20 \)
for each category (day of the week)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Observed births</td>
<td>13</td>
<td>23</td>
<td>24</td>
<td>20</td>
<td>27</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Expected births</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

Case Study
Births on Weekends?

Chi-square statistic

\[
X^2 = \sum \frac{(observed \ count - 20)^2}{20}
= \sum \left[ \frac{(13 - 20)^2}{20} + \frac{(23 - 20)^2}{20} + \cdots + \frac{(15 - 20)^2}{20} \right]
= 2.45 + 0.45 + \cdots + 1.25
= 7.60
\]

Case Study
Births on Weekends?

\( P \)-value, Conclusion

\( X^2 = 7.60 \)
\( df = k - 1 = 7 - 1 = 6 \)

\( P\)-value = Prob(\( X^2 > 7.60 \)):

\( X^2 = 7.60 \) is smaller than smallest entry in \( df = 6 \) row of Table E, so the \( P\)-value is > 0.25.

Conclusion: Fail to reject \( H_0 \) – there is not significant evidence that births are not equally likely on all days of the week.