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Independent Junior Research Group for Bayesian Statistics

Multilevel Models

Grouped data

$$\mu_n = \sum_{i=1}^p x_{ni} b_i + \sum_{i=1}^p x_{ni} \left(\sum_{g \in G_i} u_{ig|n_i} \right)$$

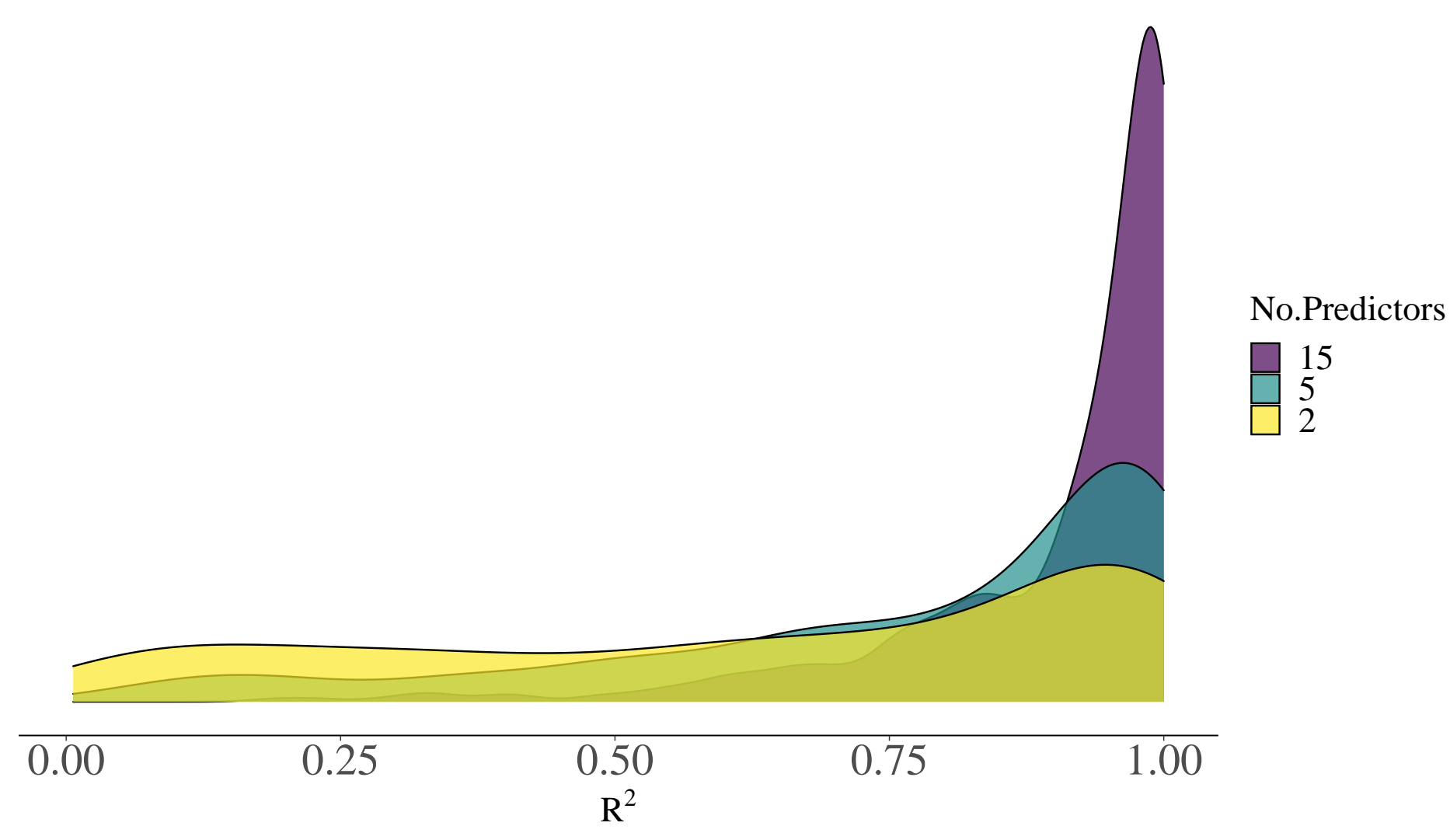
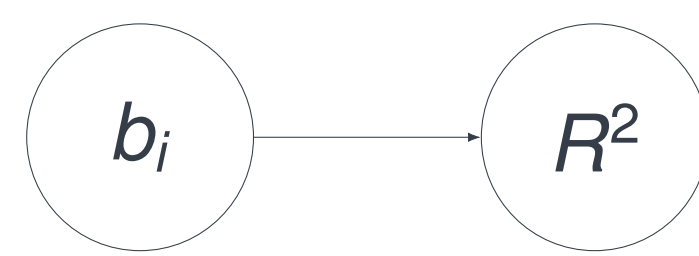
• b_i Overall coefficients
 • u_{ig} Varying coefficients
 $y_n \sim N(\mu_n, \sigma)$

Common Inference Setting

Weakly informative priors

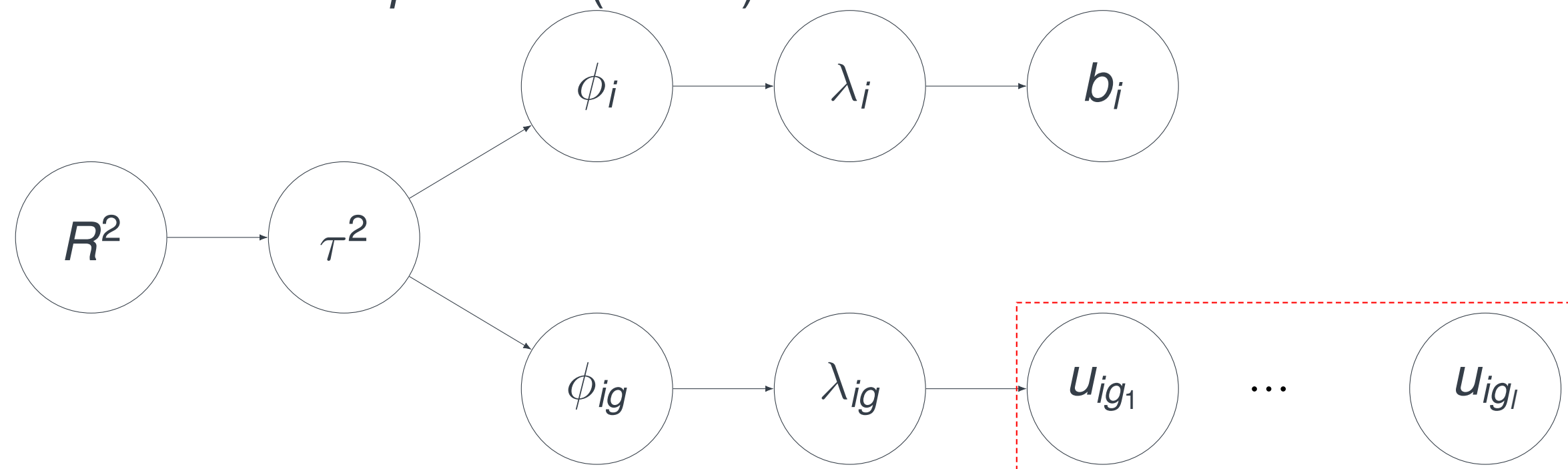
$$b_i \sim N(0, 1), \sigma \sim E(1)$$

Effect on proportion of explained variance



An intuitive joint prior on R^2

Specify a prior on R^2 and decompose the explained variance via a Dirichlet Decomposition (R2D2)

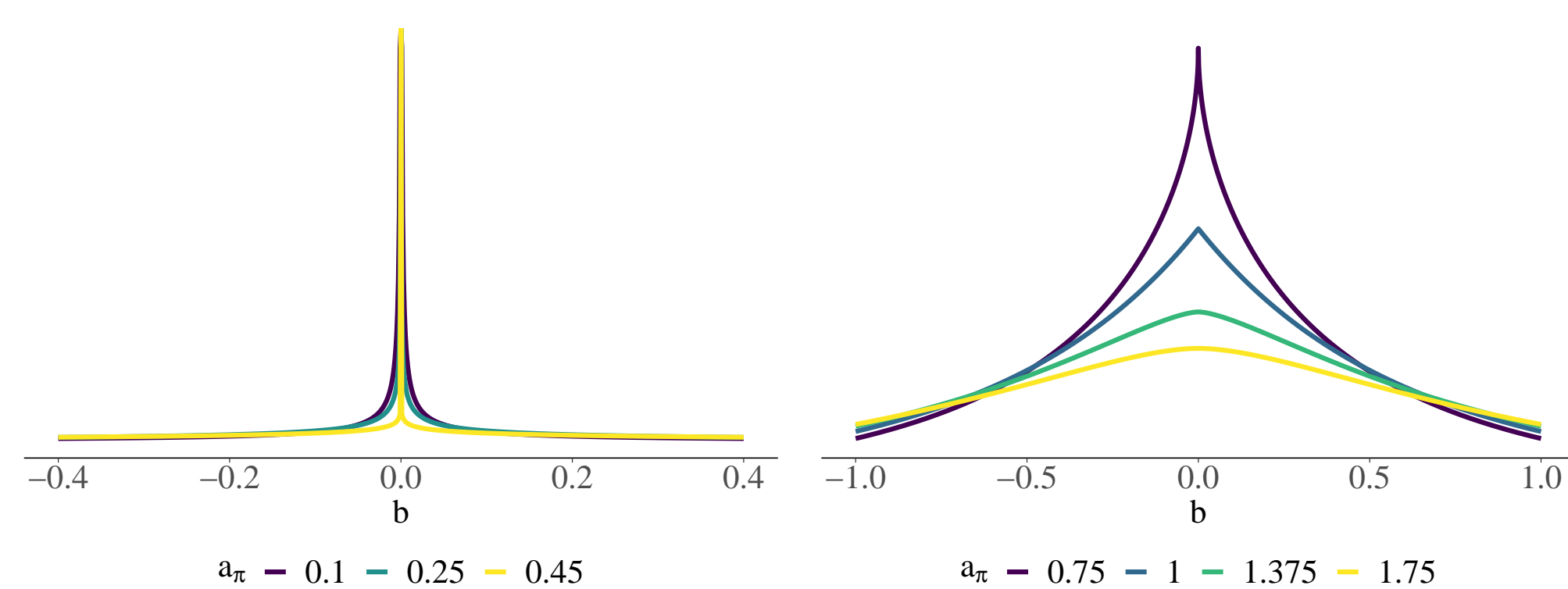


R^2 Dirichlet Decomposition Multilevel Models: R2-D2-M2 prior

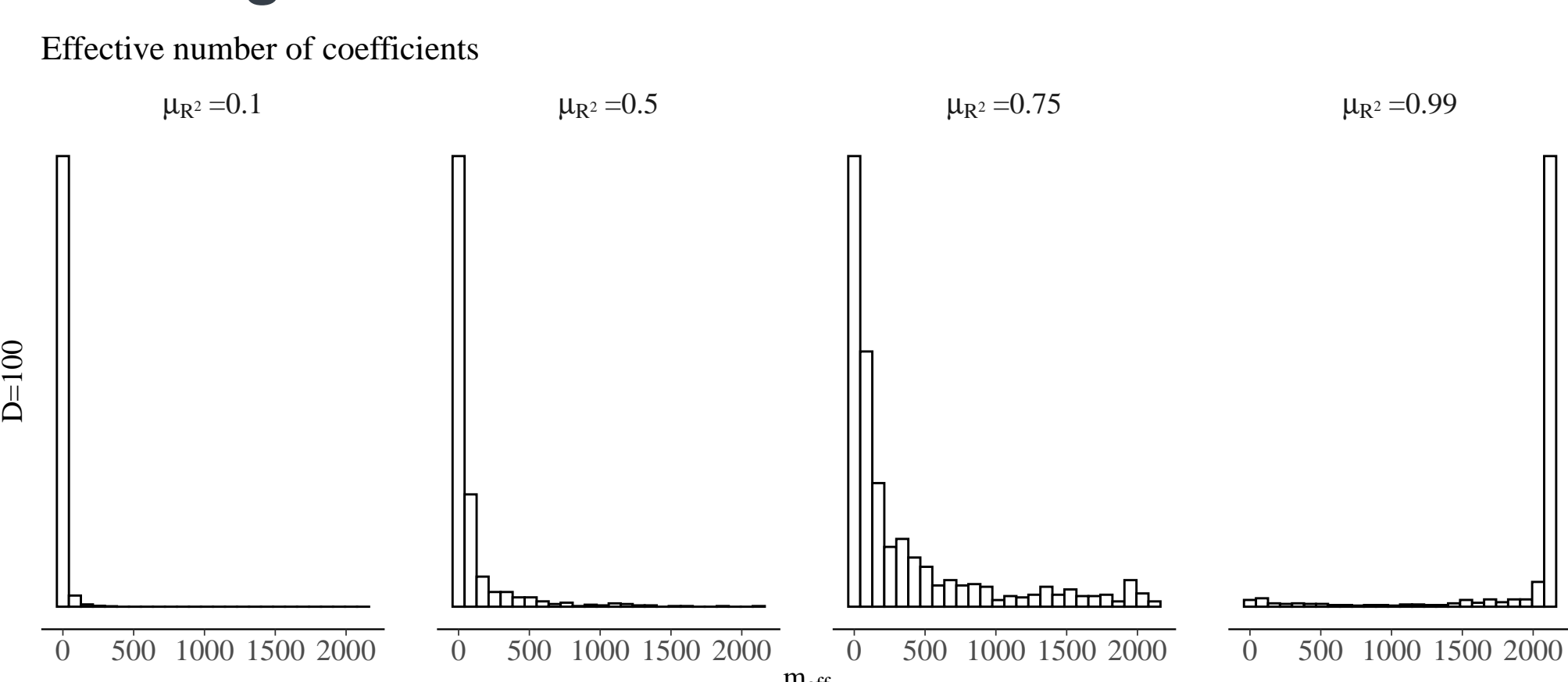
$$R^2 \sim B(\mu, \varphi), \phi \sim \text{Dirichlet}(\alpha), b_i \sim N(0, \lambda_i), u_{ig} \sim N(0, \lambda_{ig}), \sigma \sim p(\sigma)$$

Properties

Marginal Priors

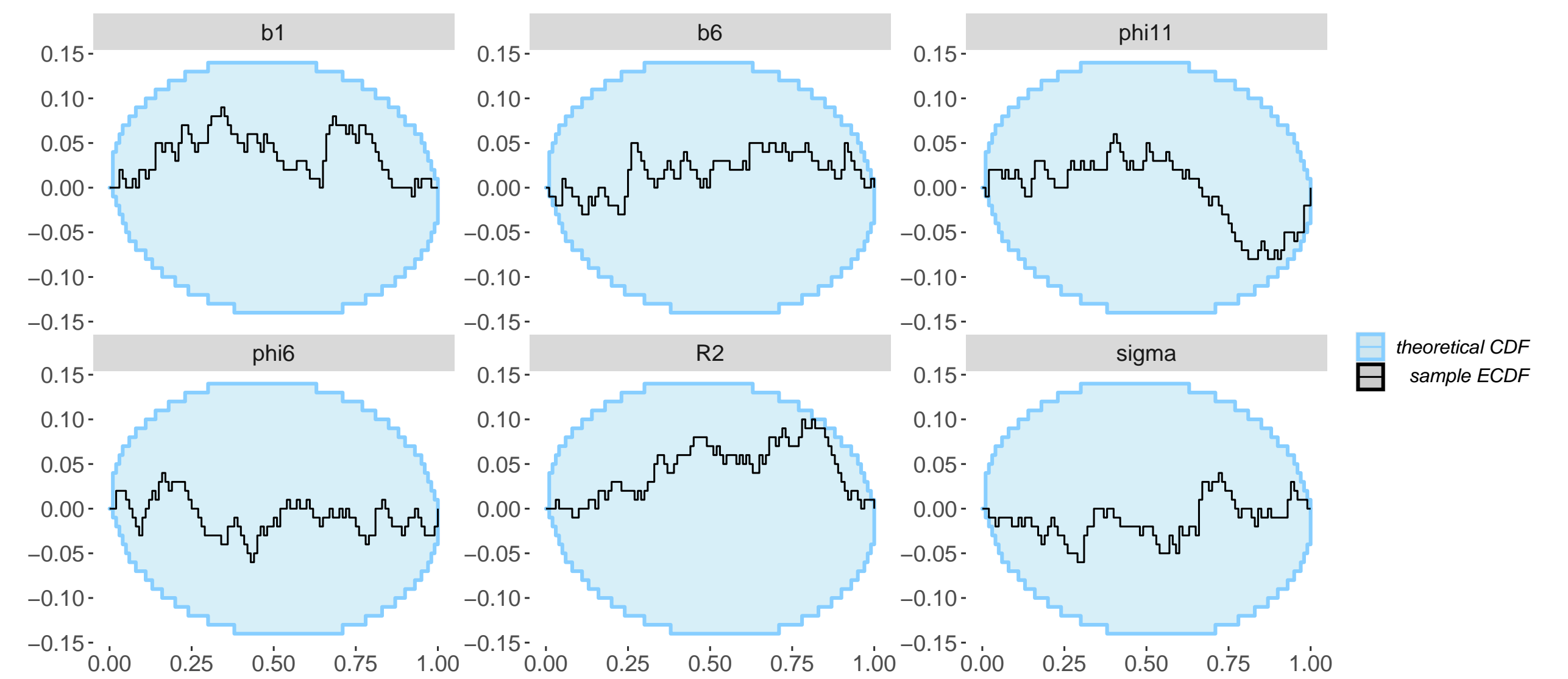


Implied shrinkage



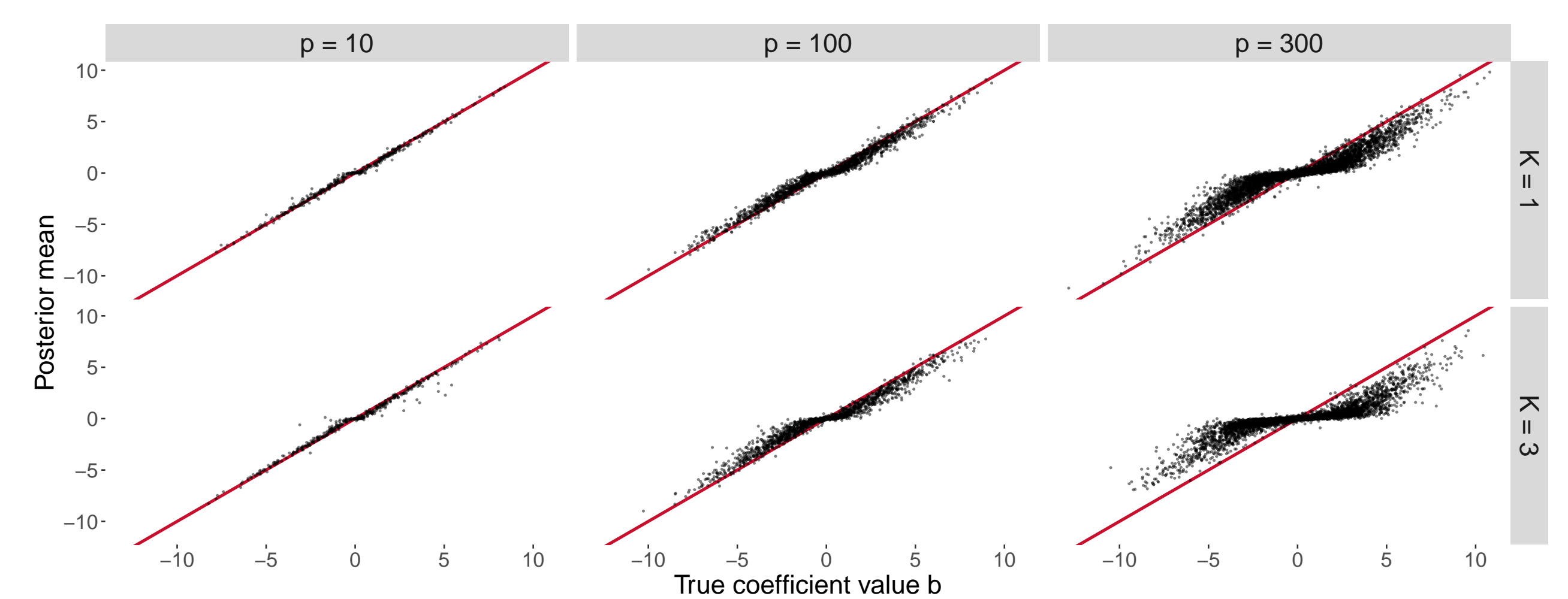
Experiments

Simulation Based Calibration

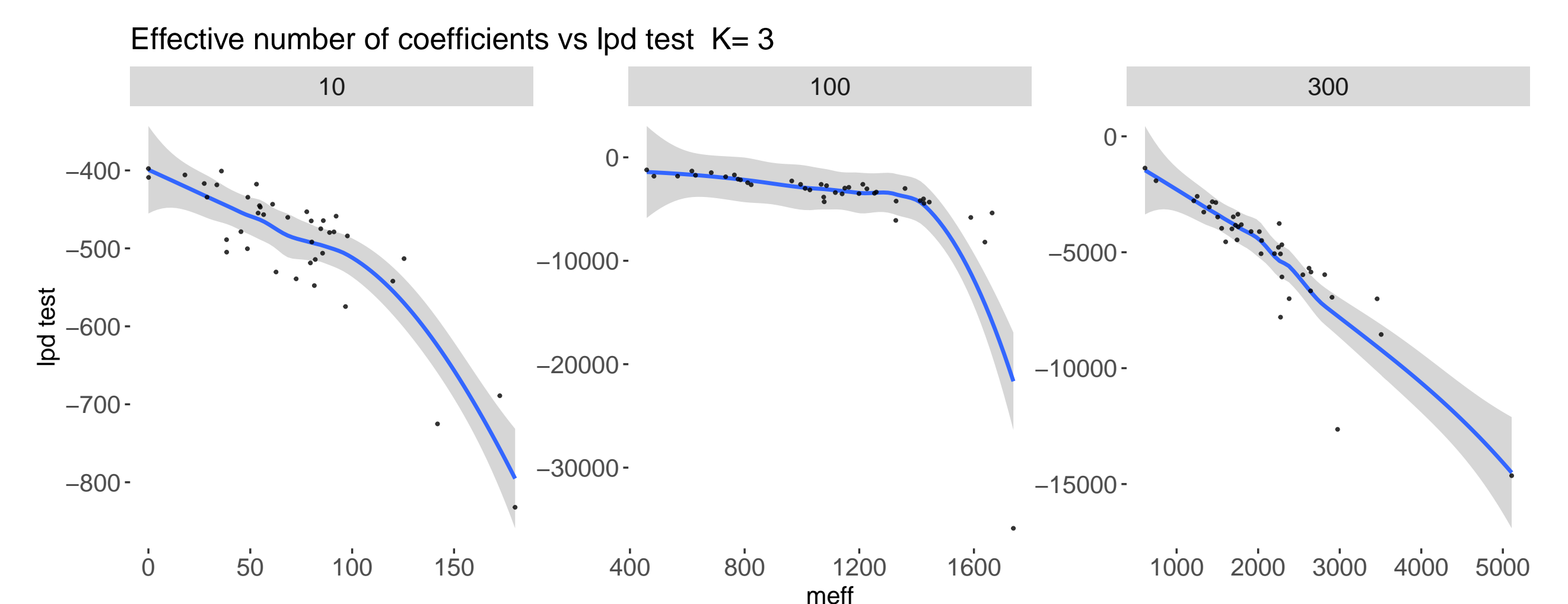


General Multilevel Model Simulation

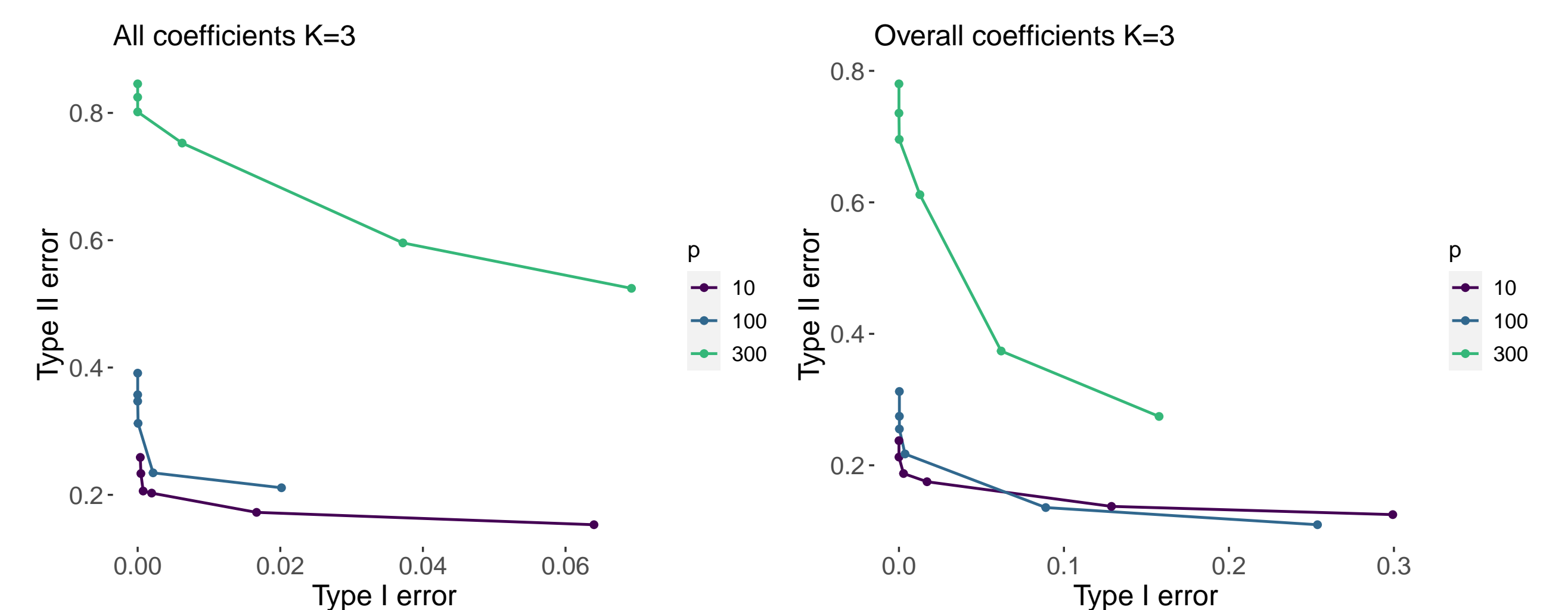
Posterior shrinkage



Out-of-sample Predictive Performance



Posterior coverage and Credibility Intervals



Conclusions

- Our model is well calibrated.
- Prior specification over the whole set of coefficients presents advantages.
- Out-of-sample predictive performance is related to shrinkage.
- Errors are properly controlled.