MULTIVARIATE DISTRIBUTIONS

If we have several random variables, say $X_1, X_2, \ldots, X_m$, we may talk about their *joint distribution* and their *joint pdf*. The latter is a function $f(x_1, x_2, \ldots, x_m)$ such that for any region R in m-space,

$$\text{Prob}((X_1, X_2, \ldots, X_m) \text{ is in R}) = \int_R f(x_1, x_2, \ldots, x_m).$$

(Here, $\int_R f(x_1, x_2, \ldots, x_m)$ denotes a multiple integral.)

Special Case: *Multivariate normal distribution*. The pdf is of the form

$$f(x_1, x_2, \ldots, x_m) = \frac{1}{(2\pi)^{n/2}[\det(\Sigma)]^{1/2}} \exp\left[-\frac{1}{2}\left(\underline{x}-\underline{\mu}\right)^t \Sigma^{-1}\left(\underline{x}-\underline{\mu}\right)\right],$$

where $\underline{x} = \begin{bmatrix} x_1 \\ x_2 \\ \vdots \\ x_m \end{bmatrix}$ and $\underline{\mu} = \begin{bmatrix} \mu_1 \\ \mu_2 \\ \vdots \\ \mu_m \end{bmatrix}$ is the vector of means of the X_i's, and Σ is an m x m matrix called the *covariance matrix*. This generalizes the bivariate normal distribution, with pdf

$$f(x_1, x_2) = \frac{1}{2\pi\sigma_1\sigma_2\sqrt{1-\rho^2}} \exp\left[-\frac{\left(\frac{x_1-\mu_1}{\sigma_1}\right)^2 - 2\rho\left(\frac{x_1-\mu_1}{\sigma_1}\right)\left(\frac{x_2-\mu_2}{\sigma_2}\right) + \left(\frac{x_2-\mu_2}{\sigma_2}\right)^2}{2(1-\rho^2)}\right],$$

as can be seen by taking $\Sigma = \begin{bmatrix} \sigma_1{}^2 & \rho\sigma_1\sigma_2 \\ \rho\sigma_1\sigma_2 & \sigma_2{}^2 \end{bmatrix}$. (Note that $\rho\sigma_1\sigma_2$ is the covariance of X_1 and X_2; in the general case, the i,jth entry of the covariance matrix will be the covariance of X_i and X_j.)

Properties of multivariate normal distributions:

1. If $X_1, X_2, \ldots, X_m$ are multivariate normal, then any subset of these variables is also (multivariate) normal.
2. Each conditional mean obtained by conditioning one variable on a subset of the other variables is a linear function of the remaining variables -- e.g.,

$$E(X_1 \mid X_2, \ldots, X_m) = \alpha_0 + \alpha_2 X_2 + \ldots + \alpha_m X_m.$$

Consequences for Regression:

1. If $X_1, X_2, \ldots, X_p$, Y are multivariate normal, then each subset of $X_1, X_2, \ldots, X_p$, Y is also (multivariate) normal.
2. For each subset of $X_1, X_2, \ldots, X_p$, the conditional mean of Y conditioned on those variables is a linear function of those variables. In particular
   - $E(Y| X_1, X_2, \ldots, X_p)$ is a linear function of $X_1, X_2, \ldots, X_p$ (i.e., a linear model fits)
   - Even if we drop some predictors, a linear model fits.
   - For a single j, $E(Y|x_j) = a + bx_j$.

This gives a way of checking if $X_1, X_2, \ldots, X_p$, Y are *not* normal: If any marginal response plot is not linear, then $X_1, X_2, \ldots, X_p$, Y are not multivariate normal.

Caution: The converse is *not* true -- the marginal response plots might all be linear, without having the variables be multivariate normal.