

example 3 — Two-factor measurement model

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Description

The multiple-factor measurement model is demonstrated using summary statistics dataset (SSD) `sem_2fmm.dta`:

```
. use http://www.stata-press.com/data/r15/sem_2fmm
(Affective and cognitive arousal)
. ssd describe
Summary statistics data from
http://www.stata-press.com/data/r15/sem_2fmm.dta
  obs:                216                Affective and cognitive arousal
  vars:                10                25 May 2016 10:11
                                      (_dta has notes)
```

variable name	variable label
a1	affective arousal 1
a2	affective arousal 2
a3	affective arousal 3
a4	affective arousal 4
a5	affective arousal 5
c1	cognitive arousal 1
c2	cognitive arousal 2
c3	cognitive arousal 3
c4	cognitive arousal 4
c5	cognitive arousal 5

```
. notes
```

```
_dta:
```

1. Summary statistics data containing published covariances from Thomas O. Williams, Ronald C. Eaves, and Cynthia Cox, 2 Apr 2002, "Confirmatory factor analysis of an instrument designed to measure affective and cognitive arousal", *Educational and Psychological Measurement*, vol. 62 no. 2, 264-283.
2. a1-a5 report scores from 5 miniscales designed to measure affective arousal.
3. c1-c5 report scores from 5 miniscales designed to measure cognitive arousal.
4. The series of tests, known as the VST II (Visual Similes Test II) were administered to 216 children ages 10 to 12. The miniscales are sums of scores of 5 to 6 items in VST II.

See [\[SEM\] example 2](#) to learn how we created this SSD.

Remarks and examples

Remarks are presented under the following headings:

Fitting multiple-factor measurement models

Displaying standardized results

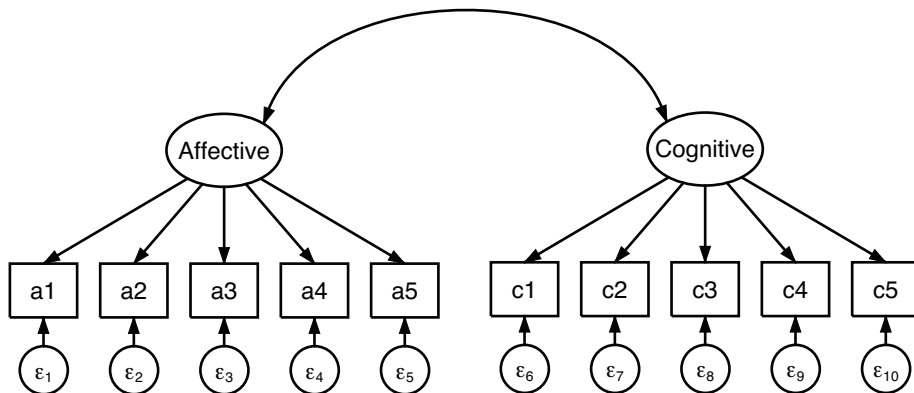
Fitting the model with the Builder

Obtaining equation-level goodness of fit by using estat eggof

See *Multiple-factor measurement models* in [SEM] [intro 5](#) for background.

Fitting multiple-factor measurement models

Below we fit the model shown by [Kline \(2005, 70–74, 184\)](#), namely,



```
. sem (Affective -> a1 a2 a3 a4 a5) (Cognitive -> c1 c2 c3 c4 c5)
```

Endogenous variables

Measurement: a1 a2 a3 a4 a5 c1 c2 c3 c4 c5

Exogenous variables

Latent: Affective Cognitive

Fitting target model:

Iteration 0: log likelihood = -9542.8803

Iteration 1: log likelihood = -9539.5505

Iteration 2: log likelihood = -9539.3856

Iteration 3: log likelihood = -9539.3851

Notes:

1. In [\[SEM\] example 1](#), we ran `sem` on raw data. In this example, we run `sem` on SSD. There are no special `sem` options that we need to specify because of this.
2. The estimated coefficients reported above are unstandardized coefficients or, if you prefer, factor loadings.
3. The coefficients listed at the bottom of the coefficient table that start with `e.` are the estimated error variances. They represent the variance of the indicated measurement that is not measured by the respective latent variables.
4. The above results do not match exactly ([Kline 2005](#), 184). If we specified `sem` option `nm1`, results are more likely to match to 3 or 4 digits. The `nm1` option says to divide by $N - 1$ rather than by N in producing variances and covariances.

Displaying standardized results

The output will be easier to interpret if we display standardized values for paths rather than path coefficients. A standardized value is in standard deviation units. It is the change in one variable given a change in another, both measured in standard deviation units. We can obtain standardized values by specifying `sem`'s `standardized` option, which we can do when we fit the model or when we replay results:

Notes:

1. In addition to obtaining standardized coefficients, the `standardized` option reports estimated error variances as the fraction of the variance that is unexplained. Error variances were previously unintelligible numbers such as 384.136 and 357.352. Now they are 0.189 and 0.186.
2. Also listed in the `sem` output are variances of latent variables. In the [previous output](#), latent variable `Affective` had variance 1,644.46 with standard error 193. In the standardized output, it has variance 1 with standard error missing. The variances of the latent variables are standardized to 1, and obviously, being a normalization, there is no corresponding standard error.
3. We can now see at the bottom of the coefficient table that affective and cognitive arousal are correlated 0.81 because standardized covariances are correlation coefficients.
4. The standardized coefficients for this model can be interpreted as the correlation coefficients between the indicator and the latent variable because each indicator measures only one factor. For instance, the standardized path coefficient `a1<-Affective` is 0.90, meaning the correlation between `a1` and `Affective` is 0.90.

Fitting the model with the Builder

Use the diagram above for reference.

1. Open the dataset.

In the Command window, type

```
. use http://www.stata-press.com/data/r15/sem_2fmm
```

2. Open a new Builder diagram.


Select menu item **Statistics > SEM (structural equation modeling) > Model building and estimation**.

3. Change the size of the observed variables' rectangles.

From the SEM Builder menu, select **Settings > Variables > All observed...**

In the resulting dialog box, change the first size to `.38` and click on **OK**.

4. Create the measurement component for affective arousal.

Select the Add measurement component tool, , and then click in the diagram about one-third of the way down from the top and one-fourth of the way in from the left.

In the resulting dialog box,


- a. change the *Latent variable name* to `Affective`;
- b. select `a1`, `a2`, `a3`, `a4`, and `a5` by using the *Measurement variables* control;
- c. select `Down` in the *Measurement direction* control;
- d. click on **OK**.

If you wish, move this component by clicking on any variable and dragging it.


5. Create the measurement component for cognitive arousal.

Repeat the process from item 4, but place the measurement component about one-third of the way down from the top and three-fourths of the way in from the left. Label the latent variable `Cognitive`, and select measurement variables `c1`, `c2`, `c3`, `c4`, and `c5`. Drag to reposition if desired.


6. Correlate the latent factors.

- a. Select the Add covariance tool, .
- b. Click in the upper-right quadrant of the *Affective* oval (it will highlight when you hover over it), and drag a covariance to the upper-left quadrant of the *Cognitive* oval (it will highlight when you can release to connect the covariance).

7. Clean up.

If you do not like where a covariance has been connected to its variable, use the Select tool, , to click on the covariance, and then simply click on where it connects to an oval and drag the endpoint. You can also change the bow of the covariance by dragging the control point that extends from one end of the selected covariance.

8. Estimate.

Click on the **Estimate** button, , in the Standard Toolbar, and then click on **OK** in the resulting *SEM estimation options* dialog box.

9. Show standardized estimates.

From the SEM Builder menu, select **View > Standardized estimates**.

You can open a completed diagram in the Builder by typing

```
. webgetsem sem_2fmm
```

Obtaining equation-level goodness of fit by using estat eqgof

That the correlation between *a1* and *Affective* is 0.90 implies that the fraction of the variance of *a1* explained by *Affective* is $0.90^2 = 0.81$, and left unexplained is $1 - 0.81 = 0.19$. Instead of manually calculating the proportion of variance explained by indicators, we can use the `estat eqgof` command:

```
. estat eqgof
Equation-level goodness of fit
```

depvars	Variance			R-squared	mc	mc2
	fitted	predicted	residual			
observed						
a1	2028.598	1644.463	384.1359	.8106398	.9003553	.8106398
a2	1923.217	1565.865	357.3524	.8141903	.9023249	.8141903
a3	1307.726	1152.775	154.9507	.8815113	.9388883	.8815113
a4	2024.798	1528.339	496.4594	.7548104	.8687982	.7548104
a5	2052.328	1860.643	191.6857	.9066009	.9521559	.9066009
c1	627.5987	455.9349	171.6638	.7264752	.8523351	.7264752
c2	738.3325	566.527	171.8055	.7673061	.8759601	.7673061
c3	1082.374	806.3598	276.0144	.7449917	.863129	.7449917
c4	851.311	627.1116	224.1994	.7366422	.8582786	.7366422
c5	725.3002	578.4346	146.8655	.7975107	.8930346	.7975107
overall				.9949997		

mc = correlation between depvar and its prediction

mc2 = mc² is the Bentler-Raykov squared multiple correlation coefficient

Notes:

1. `fitted` reports the fitted variance of each of the endogenous variables, whether observed or latent. In this case, we have observed endogenous variables.
2. `predicted` reports the variance of the predicted value of each endogenous variable.
3. `residual` reports the leftover residual variance.
4. `R-squared` reports R^2 , the fraction of variance explained by each indicator. The fraction of the variance of `Affective` explained by `a1` is 0.81, just as we calculated by hand at the beginning of this section. The overall R^2 is also called the coefficient of determination.
5. `mc` stands for multiple correlation, and `mc2` stands for multiple-correlation squared. `R-squared`, `mc`, and `mc2` all report the relatedness of the indicated dependent variable with the model's linear prediction. In recursive models, all three statistics are really the same number. `mc` is equal to the square root of `R-squared`, and `mc2` is equal to `R-squared`.

In nonrecursive models, these three statistics are different and each can have problems. `R-squared` and `mc` can actually become negative! That does not mean the model has negative predictive power or that it might not even have reasonable predictive power. `mc2 = mc2` is recommended by [Bentler and Raykov \(2000\)](#) to be used instead of `R-squared` for nonrecursive systems.

In [\[SEM\] example 4](#), we examine the goodness-of-fit statistics for this model.

In [\[SEM\] example 5](#), we examine modification indices for this model.

References

- Acock, A. C. 2013. *Discovering Structural Equation Modeling Using Stata*. Rev. ed. College Station, TX: Stata Press.
- Bentler, P. M., and T. Raykov. 2000. On measures of explained variance in nonrecursive structural equation models. *Journal of Applied Psychology* 85: 125–131.
- Kline, R. B. 2005. *Principles and Practice of Structural Equation Modeling*. 2nd ed. New York: Guilford Press.

Also see

- [\[SEM\] example 1](#) — Single-factor measurement model
- [\[SEM\] example 2](#) — Creating a dataset from published covariances
- [\[SEM\] example 20](#) — Two-factor measurement model by group
- [\[SEM\] example 26](#) — Fitting a model with data missing at random
- [\[SEM\] example 31g](#) — Two-factor measurement model (generalized response)
- [\[SEM\] sem](#) — Structural equation model estimation command
- [\[SEM\] estat eqgof](#) — Equation-level goodness-of-fit statistics