regress postestimation diagnostic plots — Postestimation plots for regress

Description

The following postestimation commands are of special interest after `regress`:

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<thead>
<tr>
<th>Command</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><code>rvfplot</code></td>
<td>residual-versus-fitted plot</td>
</tr>
<tr>
<td><code>avplot</code></td>
<td>added-variable plot</td>
</tr>
<tr>
<td><code>avplots</code></td>
<td>all added-variables plots in one image</td>
</tr>
<tr>
<td><code>cprplot</code></td>
<td>component-plus-residual plot</td>
</tr>
<tr>
<td><code>acprplot</code></td>
<td>augmented component-plus-residual plot</td>
</tr>
<tr>
<td><code>rvpplot</code></td>
<td>residual-versus-predictor plot</td>
</tr>
<tr>
<td><code>lvr2plot</code></td>
<td>leverage-versus-squared-residual plot</td>
</tr>
</tbody>
</table>

These commands are not appropriate after the `svy` prefix.

For a discussion of the terminology used in this entry, see the Terminology section of Remarks and examples for `predict` in [R] `regress postestimation`.

rvfplot

Description for rvsplot

`rvfplot` graphs a residual-versus-fitted plot, a graph of the residuals against the fitted values.

Menu for rvsplot

Statistics > Linear models and related > Regression diagnostics > Residual-versus-fitted plot

Syntax for rvsplot

`rvfplot [, rvsplot_options]`

<table>
<thead>
<tr>
<th>rvsplot_options</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><code>marker_options</code></td>
<td>change look of markers (color, size, etc.)</td>
</tr>
<tr>
<td><code>marker_label_options</code></td>
<td>add marker labels; change look or position</td>
</tr>
</tbody>
</table>

Add plots

`addplot(plot)`

Y axis, X axis, Titles, Legend, Overall

`tqway_options`  any options other than by() documented in [G-3] `tqway_options`
Options for rvfplot

(marker_options) affect the rendition of markers drawn at the plotted points, including their shape, size, color, and outline; see [G-3] marker_options.

(marker_label_options) specify if and how the markers are to be labeled; see [G-3] marker_label_options.

addplot(plot) provides a way to add plots to the generated graph. See [G-3] addplot_option.

twoway_options are any of the options documented in [G-3] twoway_options, excluding by(). These include options for titling the graph (see [G-3] title_options) and for saving the graph to disk (see [G-3] saving_option).

Remarks and examples for rvfplot

rvfplot graphs the residuals against the fitted values.

Example 1

Using auto.dta described in [U] 1.2.2 Example datasets, we will use regress to fit a model of price on weight, mpg, foreign, and the interaction of foreign with mpg. We specify foreign##c.mpg to obtain the interaction of foreign with mpg; see [U] 11.4.3 Factor variables.

```
. use https://www.stata-press.com/data/r16/auto
(1978 Automobile Data)
. regress price weight foreign##c.mpg
```

```
| Source | SS       | df  | MS        | Number of obs = 74
|--------|----------|-----|-----------|------------------|
| Model  | 350319665| 4   | 87579916.3| Prob > F         = 0.0000
| Residual| 284745731| 69  | 4126749.72| R-squared        = 0.5516
| Total  | 635065396| 73  | 8699525.97| Adj R-squared    = 0.5256

| price | Coef. | Std. Err.  | t  | P>|t| | [95% Conf. Interval] |
|-------|-------|------------|----|-----|----------------------|
| weight| 4.613589 | .7254961   | 6.36 | 0.000 | 3.166263 - 6.060914 |
| foreign| 11240.33 | 2751.681   | 4.08 | 0.000 | 5750.878 - 16729.78 |
| mpg    | 263.1875 | 110.7961   | 2.38 | 0.020 | 42.15527 - 484.2197 |
| foreign##c.mpg| -307.2166 | 108.5307 | -2.83 | 0.006 | -523.7294 -90.70368 |
| _cons | -14449.58 | 4425.72   | -3.26 | 0.002 | -23278.65 -5620.51 |
```
Once we have fit a model, we may use any of the regression diagnostics commands. rvfplot (read residual-versus-fitted plot) graphs the residuals against the fitted values:

```
   . rvfplot, yline(0
```

All the diagnostic plot commands allow the `graph twoway` and `graph twoway scatter` options; we specified a `yline(0)` to draw a line across the graph at $y = 0$; see [G-2] `graph twoway scatter`

In a well-fitted model, there should be no pattern to the residuals plotted against the fitted values—something not true of our model. Ignoring the two outliers at the top center of the graph, we see curvature in the pattern of the residuals, suggesting a violation of the assumption that `price` is linear in our independent variables. We might also have seen increasing or decreasing variation in the residuals—heteroskedasticity. Any pattern whatsoever indicates a violation of the least-squares assumptions.
avplot

Description for avplot

avplot graphs an added-variable plot (a.k.a. partial-regression leverage plot, partial regression plot, or adjusted partial residual plot) after regress. indepvar may be an independent variable (a.k.a. predictor, carrier, or covariate) that is currently in the model or not.

Menu for avplot

Statistics > Linear models and related > Regression diagnostics > Added-variable plot

Syntax for avplot

```
avplot  indepvar  [,  avplot_options]
```

<table>
<thead>
<tr>
<th>avplot_options</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>marker_options</td>
<td>change look of markers (color, size, etc.)</td>
</tr>
<tr>
<td>marker_label_options</td>
<td>add marker labels; change look or position</td>
</tr>
</tbody>
</table>

| Reference line | rlopts(cline_options) | affect rendition of the reference line |

| Add plots | addplot(plot) | add other plots to the generated graph |

Y axis, X axis, Titles, Legend, Overall

twoway_options any options other than by() documented in [G-3] twoway_options

Options for avplot

Plot

marker_options affects the rendition of markers drawn at the plotted points, including their shape, size, color, and outline; see [G-3] marker_options.

marker_label_options specify if and how the markers are to be labeled; see [G-3] marker_label_options.

Reference line

rlopts(cline_options) affects the rendition of the reference line. See [G-3] cline_options.

Add plots

addplot(plot) provides a way to add plots to the generated graph. See [G-3] addplot_option.

Y axis, X axis, Titles, Legend, Overall

twoway_options are any of the options documented in [G-3] twoway_options, excluding by(). These include options for titling the graph (see [G-3] title_options) and for saving the graph to disk (see [G-3] saving_option).
Remarks and examples for avplot

avplot graphs an added-variable plot, also known as the partial-regression leverage plot.

One of the wonderful features of one-regressor regressions (regressions of $y$ on one $x$) is that we can graph the data and the regression line. There is no easier way to understand the regression than to examine such a graph. Unfortunately, we cannot do this when we have more than one regressor. With two regressors, it is still theoretically possible—the graph must be drawn in three dimensions, but with three or more regressors no graph is possible.

The added-variable plot is an attempt to project multidimensional data back to the two-dimensional world for each of the original regressors. This is, of course, impossible without making some concessions. Call the coordinates on an added-variable plot $y$ and $x$. The added-variable plot has the following properties:

- There is a one-to-one correspondence between $(x_i, y_i)$ and the $i$th observation used in the original regression.
- A regression of $y$ on $x$ has the same coefficient and standard error (up to a degree-of-freedom adjustment) as the estimated coefficient and standard error for the regressor in the original regression.
- The “outlierness” of each observation in determining the slope is in some sense preserved.

It is equally important to note the properties that are not listed. The $y$ and $x$ coordinates of the added-variable plot cannot be used to identify functional form, or, at least, not well (see Mallows [1986]). In the construction of the added-variable plot, the relationship between $y$ and $x$ is forced to be linear.

Example 2

Let’s use the same model as we used in example 1.

```
. use https://www.stata-press.com/data/r16/auto
(1978 Automobile Data)
. regress price weight foreign##c.mpg
(output omitted)
```

We can now examine the added-variable plot for mpg.

```
. avplot mpg
```

![Added-variable plot](image)
This graph suggests a problem in determining the coefficient on mpg. Were this a one-regressor regression, the two points at the top-left corner and the one at the top right would cause us concern, and so it does in our more complicated multiple-regressor case. To identify the problem points, we retyped our command, modifying it to read `avplot mpg, mlabel(make)`, and discovered that the two cars at the top left are the Cadillac Eldorado and the Lincoln Versailles; the point at the top right is the Cadillac Seville. These three cars account for 100% of the luxury cars in our data, suggesting that our model is misspecified. By the way, the point at the lower right of the graph, also cause for concern, is the Plymouth Arrow, our data entry error.

Technical note

Stata’s `avplot` command can be used with regressors already in the model, as we just did, or with potential regressors not yet in the model. In either case, `avplot` will produce the correct graph. The name ‘added-variable plot’ is unfortunate in the case when the variable is already among the list of regressors but is, we think, still preferable to the name ‘partial-regression leverage plot’ assigned by Belsley, Kuh, and Welsch (1980, 30) and more in the spirit of the original use of such plots by Mosteller and Tukey (1977, 271–279). Welsch (1986, 403), however, disagrees: “I am sorry to see that Chatterjee and Hadi [1986] endorse the term ‘added-variable plot’ when $X_j$ is part of the original model” and goes on to suggest the name “adjusted partial residual plot”.

avplots

Description for avplots

`avplots` graphs all the added-variable plots in one image.

Menu for avplots

Statistics > Linear models and related > Regression diagnostics > Added-variable plot

Syntax for avplots

```
avplots [, avplots_options]
```

<table>
<thead>
<tr>
<th>avplots_options</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plot</strong></td>
<td></td>
</tr>
<tr>
<td>marker_options</td>
<td>change look of markers (color, size, etc.)</td>
</tr>
<tr>
<td>marker_label_options</td>
<td>add marker labels; change look or position</td>
</tr>
<tr>
<td>combine_options</td>
<td>any of the options documented in [G-2] <code>graph combine</code></td>
</tr>
<tr>
<td><strong>Reference line</strong></td>
<td></td>
</tr>
<tr>
<td>rlopts(cline_options)</td>
<td>affect rendition of the reference line</td>
</tr>
<tr>
<td><strong>Y axis, X axis, Titles, Legend, Overall</strong></td>
<td>any options other than by() documented in [G-3] <code>twoway_options</code></td>
</tr>
</tbody>
</table>
Options for avplots

Plot

`marker_options` affects the rendition of markers drawn at the plotted points, including their shape, size, color, and outline; see [G-3] `marker_options`.

`marker_label_options` specify if and how the markers are to be labeled; see [G-3] `marker_label_options`.

`combine_options` are any of the options documented in [G-2] `graph combine`. These include options for titling the graph (see [G-3] `title_options`) and for saving the graph to disk (see [G-3] `saving_option`).

Reference line

`rlopts(cline_options)` affects the rendition of the reference line. See [G-3] `cline_options`.

Y axis, X axis, Titles, Legend, Overall

`twoway_options` are any of the options documented in [G-3] `twoway_options`, excluding `by()`. These include options for titling the graph (see [G-3] `title_options`) and for saving the graph to disk (see [G-3] `saving_option`).

Remarks and examples for avplots

> Example 3

In example 2, we used `avplot` to examine the added-variable plot for `mpg` in our regression of `price` on `weight` and `foreign##c.mpg`. Now, let’s use `avplots` to graph an added-variable plot for every regressor in the data.
. avplots

![Graphs of regression diagnostics](image)

- **price vs. weight**
  - coefficient: 4.6135886, standard error: 0.7254961, t-value: 6.36

- **price vs. foreign**
  - coefficient: 11240.331, standard error: 2751.6808, t-value: 4.08

- **price vs. mpg**
  - coefficient: 263.18749, standard error: 110.79612, t-value: 2.38

- **price vs. foreign#mpg**
cprplot

Description for cprplot

cprplot graphs a component-plus-residual plot (a.k.a. partial residual plot) after regress. *indepvar* must be an independent variable that is currently in the model.

Menu for cprplot

Statistics > Linear models and related > Regression diagnostics > Component-plus-residual plot

Syntax for cprplot

```
cprplot indepvar [ , cprplot_options ]
```

<table>
<thead>
<tr>
<th>cprplot_options</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plot</strong></td>
<td></td>
</tr>
<tr>
<td><em>marker_options</em></td>
<td>change look of markers (color, size, etc.)</td>
</tr>
<tr>
<td><em>marker_label_options</em></td>
<td>add marker labels; change look or position</td>
</tr>
<tr>
<td><strong>Reference line</strong></td>
<td></td>
</tr>
<tr>
<td><em>rlopts(cline_options)</em></td>
<td>affect rendition of the reference line</td>
</tr>
<tr>
<td><strong>Options</strong></td>
<td></td>
</tr>
<tr>
<td><em>lowess</em></td>
<td>add a lowess smooth of the plotted points</td>
</tr>
<tr>
<td><em>lsopts(lowess_options)</em></td>
<td>affect rendition of the lowess smooth</td>
</tr>
<tr>
<td><em>mspline</em></td>
<td>add median spline of the plotted points</td>
</tr>
<tr>
<td><em>msopts(mspline_options)</em></td>
<td>affect rendition of the spline</td>
</tr>
<tr>
<td><strong>Add plots</strong></td>
<td></td>
</tr>
<tr>
<td><em>addplot(plot)</em></td>
<td>add other plots to the generated graph</td>
</tr>
<tr>
<td><strong>Y axis, X axis, Titles, Legend, Overall</strong></td>
<td>any options other than by() documented in [G-3] <em>twoway_options</em></td>
</tr>
</tbody>
</table>

Options for cprplot

- **Plot**
  - *marker_options* affects the rendition of markers drawn at the plotted points, including their shape, size, color, and outline; see [G-3] *marker_options*.
  - *marker_label_options* specify if and how the markers are to be labeled; see [G-3] *marker_label_options*.
- **Reference line**
  - *rlopts(cline_options)* affects the rendition of the reference line. See [G-3] *cline_options*.
lowess adds a lowess smooth of the plotted points to assist in detecting nonlinearities.

lsopts(lowess_options) affects the rendition of the lowess smooth. For an explanation of these options, especially the bwidth() option, see [R] lowess. Specifying lsopts() implies the lowess option.

mspline adds a median spline of the plotted points to assist in detecting nonlinearities.

msopts(mspline_options) affects the rendition of the spline. For an explanation of these options, especially the bands() option, see [G-2] graph twoway mspline. Specifying msopts() implies the mspline option.

addplot(plot) provides a way to add other plots to the generated graph. See [G-3] addplot_option.

twoway_options are any of the options documented in [G-3] twoway_options, excluding by(). These include options for titling the graph (see [G-3] title_options) and for saving the graph to disk (see [G-3] saving_option).

Remarks and examples for cprplot

Added-variable plots are successful at identifying outliers, but they cannot be used to identify functional form. The component-plus-residual plot (Ezekiel 1924; Larsen and McCleary 1972) is another attempt at projecting multidimensional data into a two-dimensional form, but with different properties. Although the added-variable plot can identify outliers, the component-plus-residual plot cannot. It can, however, be used to examine the functional form assumptions of the model. Both plots have the property that a regression line through the coordinates has a slope equal to the estimated coefficient in the regression model.

Example 4

We illustrate component-plus-residual plots using a variation of auto.dta.

. use https://www.stata-press.com/data/r16/auto1
(Automobile Models)
. regress price mpg weight

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>Number of obs = 74</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>187716578</td>
<td>2</td>
<td>93858289</td>
<td>F(2, 71) = 14.90</td>
</tr>
<tr>
<td>Residual</td>
<td>447348818</td>
<td>71</td>
<td>6300687.58</td>
<td>Prob &gt; F = 0.0000</td>
</tr>
<tr>
<td>Total</td>
<td>635065396</td>
<td>73</td>
<td>8699525.97</td>
<td>R-squared = 0.2956</td>
</tr>
</tbody>
</table>

| price | Coef. | Std. Err. | t | P>|t| | [95% Conf. Interval] |
|-------|-------|-----------|---|-----|------------------|
| mpg   | -55.9393 | 75.24136 | -0.74 | 0.460 | -205.9663 to 94.08771 |
| weight | 1.710992 | 0.5861682 | 2.92 | 0.005 | 0.5422063 to 2.879779 |
| _cons | 2197.9 | 3190.768 | 0.69 | 0.493 | -4164.311 to 8560.11 |
In fact, we know that the effects of mpg in this model are nonlinear—if we added mpg squared to the model, its coefficient would have a \( t \) statistic of 2.38, the \( t \) statistic on mpg would become \(-2.48\), and weight’s effect would become about one-third of its current value and become statistically insignificant. Pretend that we do not know this.

The component-plus-residual plot for mpg is

```
cprplot mpg, mspline msopts(bands(13))
```

We are supposed to examine the above graph for nonlinearities or, equivalently, ask if the regression line, which has slope equal to the estimated effect of mpg in the original model, fits the data adequately. To assist our eyes, we added a median spline. Perhaps some people may detect nonlinearity from this graph, but we assert that if we had not previously revealed the nonlinearity of mpg and if we had not added the median spline, the graph would not overly bother us.
acprplot

**Description for acprplot**

acprplot graphs an augmented component-plus-residual plot (a.k.a. augmented partial residual plot) as described by Mallows (1986). This seems to work better than the component-plus-residual plot for identifying nonlinearities in the data.

**Menu for acprplot**

Statistics > Linear models and related > Regression diagnostics > Augmented component-plus-residual plot

**Syntax for acprplot**

```
acprplot indepvar [, acprplot_options]
```

**Options for acprplot**

<table>
<thead>
<tr>
<th>acprplot_options</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plot</td>
<td></td>
</tr>
<tr>
<td>marker_options</td>
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<tr>
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<td>affect rendition of the reference line</td>
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<tr>
<td>Options</td>
<td></td>
</tr>
<tr>
<td>lowess</td>
<td>add a lowess smooth of the plotted points</td>
</tr>
<tr>
<td>lopts(lowess_options)</td>
<td>affect rendition of the lowess smooth</td>
</tr>
<tr>
<td>mspline</td>
<td>add median spline of the plotted points</td>
</tr>
<tr>
<td>msopts(mspline_options)</td>
<td>affect rendition of the spline</td>
</tr>
<tr>
<td>Add plots</td>
<td></td>
</tr>
<tr>
<td>addplot(plot)</td>
<td>add other plots to the generated graph</td>
</tr>
<tr>
<td>Y axis, X axis, Titles, Legend, Overall</td>
<td>any options other than by() documented in [G-3] twoway_options</td>
</tr>
</tbody>
</table>

**Plot**

- **marker_options**: change look of markers (color, size, etc.)
- **marker_label_options**: add marker labels; change look or position

**Reference line**

- **rlopts(cline_options)**: affect rendition of the reference line

**Options**

- **lowess**: add a lowess smooth of the plotted points
- **lopts(lowess_options)**: affect rendition of the lowess smooth
- **mspline**: add median spline of the plotted points
- **msopts(mspline_options)**: affect rendition of the spline

**Add plots**

- **addplot(plot)**: add other plots to the generated graph

**Y axis, X axis, Titles, Legend, Overall**

- **twoway_options**: any options other than by() documented in [G-3] twoway_options

---

**Options for acprplot**

- **Plot**: marker_options affects the rendition of markers drawn at the plotted points, including their shape, size, color, and outline; see [G-3] marker_options.
- **marker_label_options**: specify if and how the markers are to be labeled; see [G-3] marker_label_options.
- **Reference line**: rlopts(cline_options) affects the rendition of the reference line. See [G-3] cline_options.
- **Options**: lowess adds a lowess smooth of the plotted points to assist in detecting nonlinearities.
lsopts(lowess_options) affects the rendition of the lowess smooth. For an explanation of these options, especially the bwidth() option, see [R] lowess. Specifying lsopts() implies the lowess option.

mspline adds a median spline of the plotted points to assist in detecting nonlinearities.

msopts(mspline_options) affects the rendition of the spline. For an explanation of these options, especially the bands() option, see [G-2] graph twoway mspline. Specifying msopts() implies the mspline option.

addplot(plot) provides a way to add other plots to the generated graph. See [G-3] addplot_option.

twoway_options are any of the options documented in [G-3] twoway_options, excluding by(). These include options for titling the graph (see [G-3] title_options) and for saving the graph to disk (see [G-3] saving_option).

Remarks and examples for acprplot

In the cprplot section above, we discussed the component-plus-residual plot. Mallows (1986) proposed an augmented component-plus-residual plot that is often more sensitive to detecting nonlinearity.

> Example 5

Let’s compare the augmented component-plus-residual plot with the component-plus-residual plot of example 4.

. use https://www.stata-press.com/data/r16/auto
(1978 Automobile Data)
. regress price weight foreign##c.mpg
(output omitted)
. acprplot mpg, mspline msopts(bands(13))

It does do somewhat better.
rvpplot

Description for rvpplot

rvpplot graphs a residual-versus-predictor plot (a.k.a. independent variable plot or carrier plot), a graph of the residuals against the specified predictor.

Menu for rvpplot

Statistics > Linear models and related > Regression diagnostics > Residual-versus-predictor plot

Syntax for rvpplot

rvpplot indepvar [ , rvpplot_options ]

rvpplot_options Description

Plot
 marker_options change look of markers (color, size, etc.)
 marker_label_options add marker labels; change look or position

Add plots
 addplot(plot) add plots to the generated graph

Y axis, X axis, Titles, Legend, Overall
 twoway_options any options other than by() documented in [G-3] twoway_options

Options for rvpplot

marker_options affects the rendition of markers drawn at the plotted points, including their shape, size, color, and outline; see [G-3] marker_options.

marker_label_options specify if and how the markers are to be labeled; see [G-3] marker_label_options.

addplot(plot) provides a way to add other plots to the generated graph; see [G-3] addplot_option.

twoway_options are any of the options documented in [G-3] twoway_options, excluding by(). These include options for titling the graph (see [G-3] title_options) and for saving the graph to disk (see [G-3] saving_option).
Remarks and examples for rvpplot

The residual-versus-predictor plot is a simple way to look for violations of the regression assumptions. If the assumptions are correct, there should be no pattern on the graph.

Example 6

Let's use our model of price on mpg and weight.

```
. use https://www.stata-press.com/data/r16/auto
   (1978 Automobile Data)
. regress price weight foreign##c.mpg
   (output omitted)
. rvpplot mpg, yline(0)
```

Remember, any pattern counts as a problem, and in this graph, we see that the variation in the residuals decreases as mpg increases.
lvr2plot

Description for lvr2plot

lvr2plot graphs a leverage-versus-squared-residual plot (a.k.a. L-R plot).

Menu for lvr2plot

Statistics > Linear models and related > Regression diagnostics > Leverage-versus-squared-residual plot

Syntax for lvr2plot

```
lvr2plot [ , lvr2plot_options ]
```

```
lvr2plot_options                                Description
```

<table>
<thead>
<tr>
<th>Plot</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><code>marker_options</code></td>
<td>change look of markers (color, size, etc.)</td>
</tr>
<tr>
<td><code>marker_label_options</code></td>
<td>add marker labels; change look or position</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Add plots</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><code>addplot(plot)</code></td>
<td>add other plots to the generated graph</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Y axis, X axis, Titles, Legend, Overall</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><code>twoway_options</code></td>
<td>any options other than by() documented in [G-3]</td>
</tr>
<tr>
<td></td>
<td><code>twoway_options</code></td>
</tr>
</tbody>
</table>

Options for lvr2plot

```
marker_options                        affects the rendition of markers drawn at the plotted points, including their shape, size, color, and outline; see [G-3] `marker_options`.

marker_label_options                  specify if and how the markers are to be labeled; see [G-3] `marker_label_options`.

addplot(plot)                          provides a way to add other plots to the generated graph. See [G-3] `addplot_option`.

`twoway_options`                       are any of the options documented in [G-3] `twoway_options`, excluding by(). These include options for titling the graph (see [G-3] `title_options`) and for saving the graph to disk (see [G-3] `saving_option`).
```
Remarks and examples for lvr2plot

One of the most useful diagnostic graphs is provided by lvr2plot (leverage-versus-residual-squared plot), a graph of leverage against the (normalized) residuals squared.

Example 7

We illustrate lvr2plot using our model in example 1.

```stata
. use https://www.stata-press.com/data/r16/auto
(1978 Automobile Data)
. regress price weight foreign##c.mpg
(output omitted)
. lvr2plot
```

![Leverage vs. normalized residual squared plot](image)

The lines on the chart show the average values of leverage and the (normalized) residuals squared. Points above the horizontal line have higher-than-average leverage; points to the right of the vertical line have larger-than-average residuals.

One point immediately catches our eye, and four more make us pause. The point at the top of the graph has high leverage and a smaller-than-average residual. The other points that bother us all have higher-than-average leverage, two with smaller-than-average residuals and two with larger-than-average residuals.

A less pretty but more useful version of the above graph specifies that `make` be used as the symbol (see [G-3] marker_label_options):

```stata
```
```
The VW Diesel, Plymouth Champ, Plymouth Arrow, and Peugeot 604 are the points that cause us the most concern. When we further examine our data, we discover that the VW Diesel is the only diesel in our data and that the data for the Plymouth Arrow were entered incorrectly into the computer. No such simple explanations were found for the Plymouth Champ and Peugeot 604.

Methods and formulas

See Hamilton (2013, 209–214) and Kohler and Kreuter (2012, sec. 9.3) for a discussion of these diagnostic graphs.

The lvr2plot command plots leverage against the squares of the normalized residuals. The normalized residuals are defined as $\hat{e}_{n} = \frac{\hat{e}_{j}}{(\sum \hat{e}^2_j)^{1/2}}$.

References


Also see

[R] regress — Linear regression

[R] regress postestimation — Postestimation tools for regress

[R] regress postestimation time series — Postestimation tools for regress with time series

[U] 20 Estimation and postestimation commands