

22S:138  
Bayesian Statistics

Introduction to Multi-Parameter  
Models

Lecture 9  
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Kate Cowles  
374 SH, 335-0727  
kcowles@stat.uiowa.edu

- In cases of this kind, the aim of Bayesian analysis is to obtain the posterior *marginal* distribution of the parameter(s) of interest, e.g.

$$p(\mu | \mathbf{y})$$

- The general approach is to estimate the *joint* posterior distribution of all unknown quantities in the model, and then integrate out the one(s) we aren't interested in.
- Example: in normal means example, we will find

$$p(\mu, \sigma^2 | \mathbf{y})$$

then

$$p(\mu | \mathbf{y}) = \int p(\mu, \sigma^2 | \mathbf{y}) d\sigma^2$$

Multiparameter models

- Real problems in statistics nearly always involve more than one unknown quantity.
- However, usually only one, or a few, parameters or predictions are of substantive interest.
- Example: newt healing rates
  - We may be primarily interested in the population mean healing rate  $\mu$ , but of course we don't really know the value of the population variance  $\sigma^2$ .
  - So in a realistic model, we must also treat  $\sigma^2$  as an unknown parameter.
- “nuisance parameters”

**Example: normal data with both  $\mu$  and  $\sigma^2$  unknown**

- Need joint prior on both unknown parameters.
- Consider first the conventional noninformative prior for this problem

$$p(\mu, \sigma^2) \propto \frac{1}{\sigma^2}$$

- This arises by considering  $\mu$  and  $\sigma^2$  *a priori* independent and taking the product of the standard noninformative priors for each.
  - *A priori* independence may be a reasonable assumption here; it says that if we knew something about one of the unknown parameters, that wouldn't give us information about the distribution of the other one.

– Recall standard noninformative priors for  $\mu$  when  $\sigma^2$  is assumed known, and for  $\sigma^2$  when  $\mu$  is assumed known.

- This is not quite a conjugate prior; we will see that the posterior distribution does not factor like this into an inverse gamma times an independent normal.
- Note that this prior is improper, and the joint posterior is improper if there are fewer than two observations in the current data.

### Steps to the marginal posterior distribution of $\mu$

- We will use these identities from conditional probability

$$\begin{aligned} p(\mu | \mathbf{y}) &= \int p(\mu, \sigma^2 | \mathbf{y}) d\sigma^2 \\ &= \int p(\mu | \sigma^2, \mathbf{y}) p(\sigma^2 | \mathbf{y}) d\sigma^2 \end{aligned}$$

- It can be shown by direct integration (GCSR p. 75) that the marginal posterior distribution of  $\sigma^2$  is

$$p(\sigma^2 | \mathbf{y}) \propto \frac{1}{(\sigma^2)^{\frac{n+1}{2}}} \exp\left(-\frac{(n-1)s^2}{2\sigma^2}\right)$$

- What parametric density is this?

### Joint posterior distribution with conventional noninformative prior

- The joint posterior is

$$\begin{aligned} p(\mu, \sigma^2) &\propto \frac{1}{\sigma^2} \times \frac{1}{(\sigma^2)^{\frac{n}{2}}} \exp\left(-\frac{1}{2\sigma^2} \sum_{i=1}^n (y_i - \mu)^2\right) \\ &= \frac{1}{(\sigma^2)^{\frac{n}{2}+1}} \exp\left(-\frac{1}{2\sigma^2} \left[\sum_{i=1}^n (y_i - \bar{y})^2 + n(\bar{y} - \mu)^2\right]\right) \\ &= \frac{1}{(\sigma^2)^{\frac{n}{2}+1}} \exp\left(-\frac{1}{2\sigma^2} [(n-1)s^2 + n(\bar{y} - \mu)^2]\right) \end{aligned}$$

where  $s^2$  is the sample variance of the  $y_i$ s:

$$s^2 = \frac{1}{n-1} \sum_{i=1}^n (y_i - \bar{y})^2$$

- $\bar{y}$  and  $s^2$  are the sufficient statistics for  $\mu$  and  $\sigma^2$ .

### The conditional posterior distribution of $\mu$ given $\sigma^2$

- Use what we already know about the posterior mean of  $\mu$  with *known* variance and a uniform prior on  $\mu$ :

$$p(\mu | \sigma^2, \mathbf{y}) = N\left(\bar{y}, \frac{\sigma^2}{n}\right)$$

- Again, it can be shown by direct integration (GCSR p. 68-69) that the *marginal* posterior distribution of  $\mu$

$$p(\mu | \mathbf{y}) = \int p(\mu | \sigma^2, \mathbf{y}) p(\sigma^2 | \mathbf{y}) d\sigma^2$$

is a Student's  $t$  distribution with

- mean  $\bar{y}$
- scale parameter  $\frac{s^2}{n}$
- degrees of freedom  $n - 1$

## Return of the newts

## An informative semi-conjugate joint prior on $\mu$ and $\sigma^2$ in for the normal distribution

- An intuitive procedure for specifying a joint prior distribution  $p(\mu, \sigma^2)$  if we had prior information on both is:
  - Assume *a priori* independence
  - Place an inverse gamma prior on  $\sigma^2$
  - Place a normal prior on  $\mu$
  - Then the joint prior is the product of these two priors
- This is called a “semi-conjugate” prior. Why?

- However, it is *not* a conjugate prior!
- In fact, the marginal posterior distributions  $p(\sigma^2|\mathbf{y})$  and  $p(\mu|\mathbf{y})$  have no simple conjugate forms.

- We can find posterior means, variances, quantiles, etc. by numerical integration or simulation.
- We will use the WinBUGS program in lab to do this.

## What are Markov chain Monte Carlo methods used for?

- to fit models that are too complex, high-dimensional, or otherwise wierd to fit by other methods
- especially frequently used for fitting Bayesian models

BUGS and WinBUGS are general-purpose packages that use Gibbs sampling to fit Bayesian models.

- constructs a Markov chain whose stationary distribution is the joint posterior of the unknowns (model parameters and missing data) of the specified model, conditional on the observed data
- exploits the fact that, under certain regularity conditions, this joint posterior distribution is the product of the ”full conditional

distributions” of each unknown given all the other model quantities

- generates a sample path from the Markov chain
  - at each iteration, generates a realization of each unknown

What does the WinBUGS user have to input?

- model specification in terms of the distributional relationships between observables and parameters
  - distributions of observables as functions of parameters (likelihood)
  - prior distributions of parameters
- auxiliary files containing
  - data
  - initial values for unknowns

WinBUGS output is *samples*.

- correlated
- of quantities user has requested WinBUGS to ”monitor”
  - parameters
  - missing data
  - functions of either of these