



"True friendship comes when the silence  
between two people is comfortable."

Your random variables are correlated

# Covariance and Correlation

Chris Piech  
CS109, Stanford University

The image shows four vibrant posters for different music genres arranged in a 2x2 grid. The top row features 'Rock' (purple background) and 'Jazz' (pink background). The bottom row features 'Folk' (green background) and 'Country/Western' (orange background). Each poster includes sections for 'The Sound', 'The Roots', 'The Pioneers', 'The Places', and 'The Ensemble'. The 'Rock' poster features a large electric guitar graphic. The 'Jazz' poster features a DJ turntable graphic. The 'Folk' poster features a banjo graphic. The 'Country/Western' poster features a guitar graphic.

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C15 A X ✓ fx 3

	A	B	C	D	E	F	G	H	M
1	Music	Dance	Folk	Country	Classical music	Musical	Pop	Rock	Me
2	5	2	1	2	2	1	5	5	
3	4	2	1	1	1	2	3	3	
4	5	2	2	3	4	5	3	5	
5	5	2	1	1	1	1	2	2	
6	5	4	3	2	4	3	5	3	
7	5	2	3	2	3	3	2	5	
8	5	5	3	1	2	2	5	3	
9	5	3	2	1	2	2	4	5	
10	5	3	1	1	2	4	3	5	
11	5	2	5	2	2	5	3	5	
12	5	3	2	1	2	3	4	3	
13	5	1	1	1	4	1	2	5	
14	5	1	2	1	4	3	3	5	
15	5	5	3	2	1	5	5	2	
16	5	2	1	1	2	3	4	5	
17	1	2	2	3	4	3	3	5	
18	5	3	1	1	1	2	4	4	
19	5	3	3	3	2	2	4	4	
20	5	5	4	3	4	5	5	4	
21	5	3	3	2	4	2	2	4	
22	5	3	2	3	4	3	2	5	
23	5	1	1	3	2	2	2	5	
24	5	3	2	3	3	3	4	5	
25	5	4	2	2	2	4	4	5	
26	5	3	1	1	4	3	3	5	
27	5	4	2	1	2	3	5	1	
28	5	5	5	4	5	3	4	4	
29	4	3	4	1	3	2	2	4	
30	5	5	1	1	1	1	3	4	
31	5	3	4	2	3	3	3	4	
32	4	4	3	3	3	3	4	4	
33	4	4	1	3	2	3	5	3	
34	5	3	1	3	2	3	3	4	
35	5	2	2	3	4	5	4	3	

music +

Ready

# Joint Random Variables



Use a joint table, density function or CDF to solve probability question



Think about **conditional** probabilities with joint variables (which might be continuous)



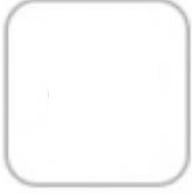
Use and find **expectation** of multiple RVS



Use and find **independence** of multiple RVS



What happens when you **add** random variables?



How do multiple variables **covary**?

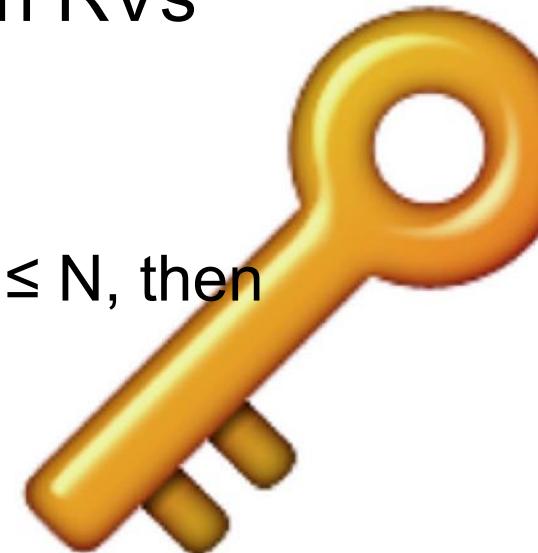
# Reference: Sum of Independent RVs

- Let X and Y be independent Binomial RVs
  - $X \sim \text{Bin}(n_1, p)$  and  $Y \sim \text{Bin}(n_2, p)$
  - $X + Y \sim \text{Bin}(n_1 + n_2, p)$
  - More generally, let  $X_i \sim \text{Bin}(n_i, p)$  for  $1 \leq i \leq N$ , then

$$\left( \sum_{i=1}^N X_i \right) \sim \text{Bin}\left( \sum_{i=1}^N n_i, p \right)$$

- Let X and Y be independent Poisson RVs
  - $X \sim \text{Poi}(\lambda_1)$  and  $Y \sim \text{Poi}(\lambda_2)$
  - $X + Y \sim \text{Poi}(\lambda_1 + \lambda_2)$
  - More generally, let  $X_i \sim \text{Poi}(\lambda_i)$  for  $1 \leq i \leq N$ , then

$$\left( \sum_{i=1}^N X_i \right) \sim \text{Poi}\left( \sum_{i=1}^N \lambda_i \right)$$



# Convolution of Probability Distributions

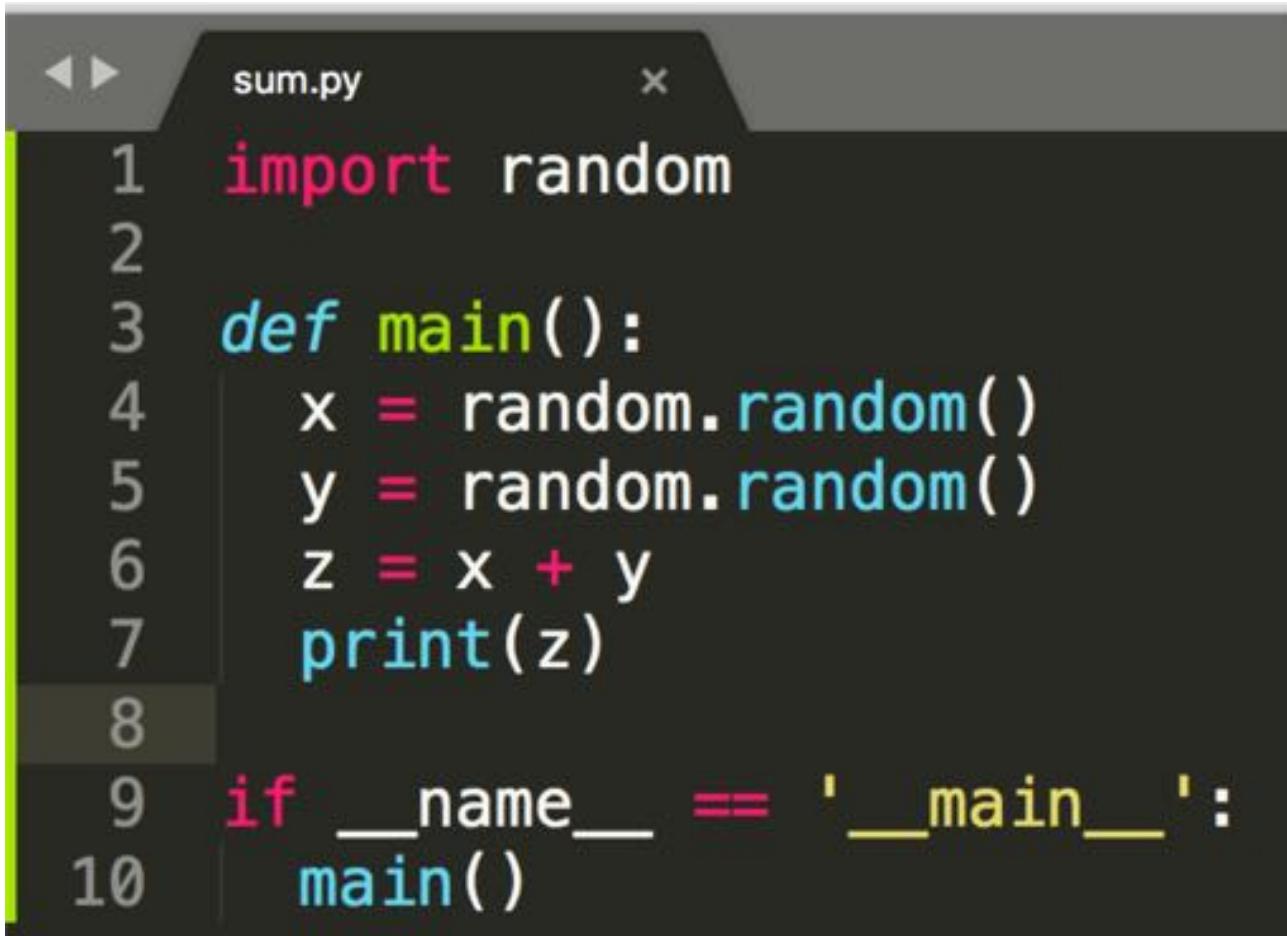


We talked about sum of Binomial and Poisson...who's missing from this party?  
Uniform, Normal.

Summation: not just for the 1%

What about the general case?

# Were talking about the sum of uniforms



The image shows a screenshot of a code editor with a dark theme. A file named "sum.py" is open. The code contains ten numbered lines of Python code. Lines 1 through 7 define a function named "main" that imports the "random" module and prints the sum of two random numbers. Lines 9 and 10 are a standard Python "if \_\_name\_\_ == '\_\_main\_\_': main()" guard.

```
1 import random
2
3 def main():
4     x = random.random()
5     y = random.random()
6     z = x + y
7     print(z)
8
9 if __name__ == '__main__':
10    main()
```

# The Insight to Convolution Proofs

$$P(X + Y = n) ?$$

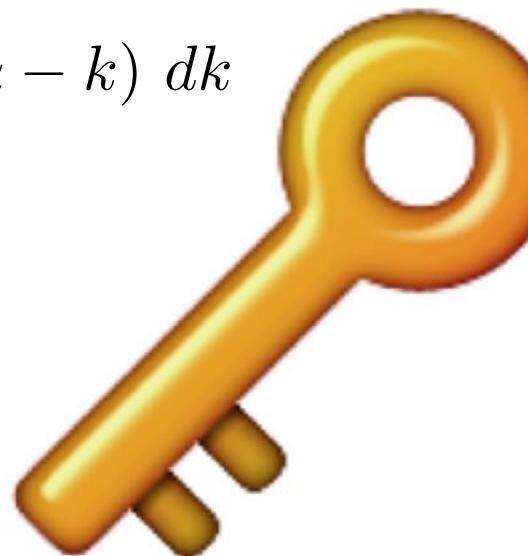
$X$	$Y$	$k$	
0	$n$	0	$P(X = 0, Y = n)$
1	$n - 1$	1	$P(X = 1, Y = n - 1)$
2	$n - 2$	2	$P(X = 2, Y = n - 2)$
• • •			
$n$	0	$n$	$P(X = n, Y = 0)$

$$P(X + Y = n) = \sum_{k=0}^n P(X = k, Y = n - k)$$

# The Insight to Convolution Proofs

$$P(X + Y = \alpha) = \sum_{k=0}^{\alpha} P(X = k, Y = \alpha - k)$$

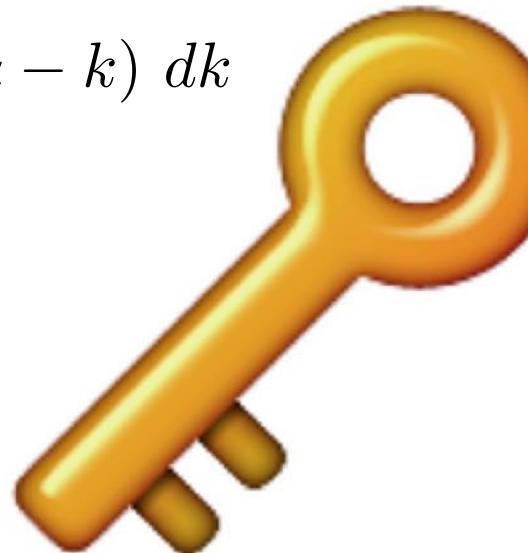
$$f(X + Y = \alpha) = \int_{k=-\infty}^{\infty} f(X = k, Y = \alpha - k) \ dk$$



# The Insight to Convolution Proofs

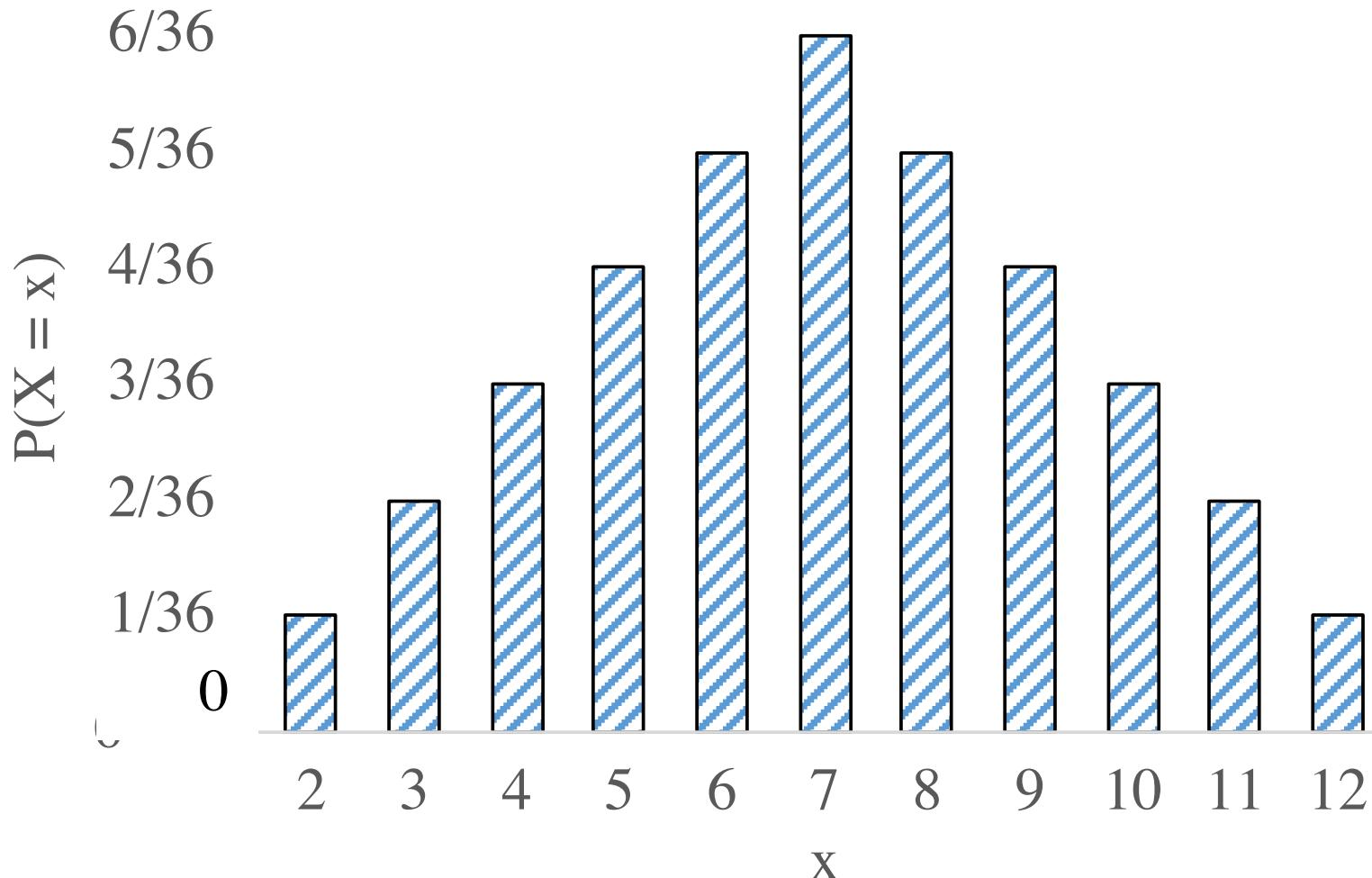
$$P(X + Y = \alpha) = \sum_{k=0}^{\alpha} P(X = k, Y = \alpha - k)$$

$$f_{X+Y}(\alpha) = \int_{k=-\infty}^{\infty} f(X = k, Y = \alpha - k) \ dk$$



# Sum of Two Dice

Let  $X$  be the value of the sum of two dice  
(aka two independent random variables)



# Sum of Independent Uniforms

$X \sim \text{Uni}(0, 1)$      $Y \sim \text{Uni}(0, 1)$

$X$  and  $Y$  are independent

$f_{X+Y}(\alpha) ?$

---

$$f_{X+Y}(\alpha) = \int_{k=-\infty}^{\infty} f(X=k, Y=\alpha-k) \ dk$$

$$f_{X+Y}(\alpha) = \int_{k=-\infty}^{\infty} f(X=k)f(Y=\alpha-k) \ dk$$

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$$f_{X+Y}(\alpha) = \int_{k=-\infty}^{\infty} f(X=k)f(Y=\alpha-k) dk$$

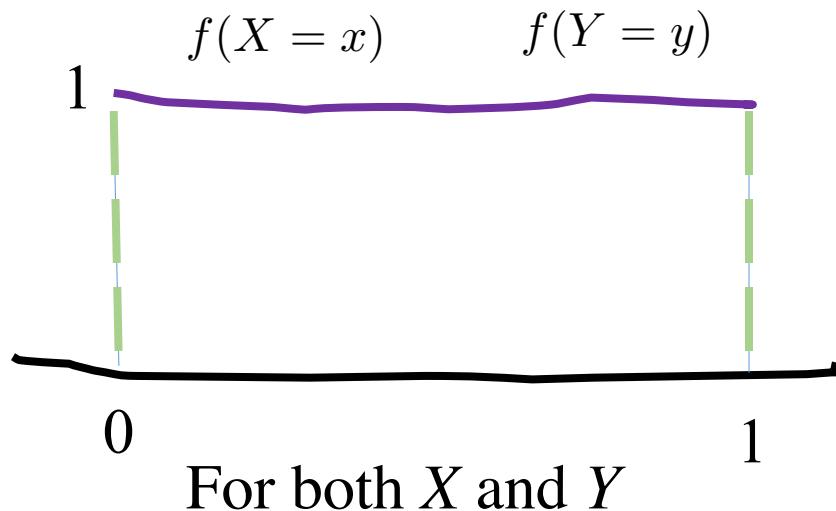
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$f_{X+Y}(\alpha) ?$

$$f_{X+Y}(\alpha) = \int_{k=-\infty}^{\infty} f(X=k)f(Y=\alpha-k) dk$$



# Sum of Independent Uniforms

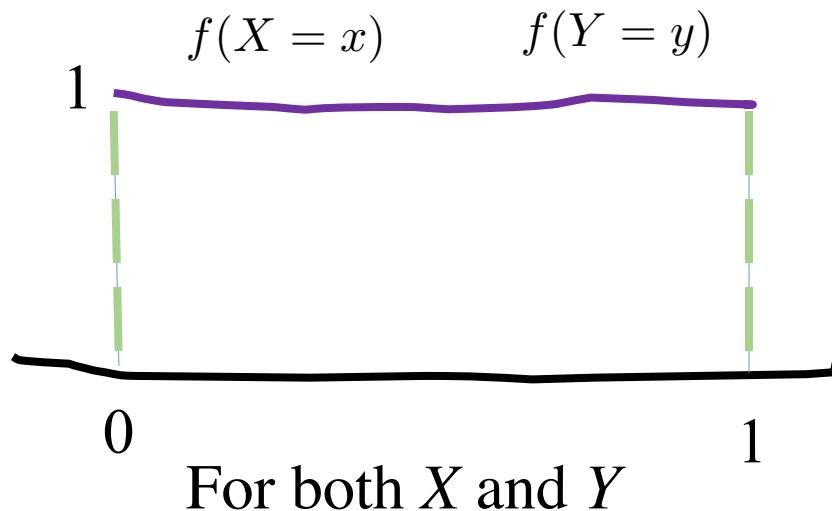
$$X \sim \text{Uni}(0, 1) \quad Y \sim \text{Uni}(0, 1)$$

$X$  and  $Y$  are independent

$$f_{X+Y}(\alpha) ?$$

$$f_{X+Y}(\alpha) = \int_{k=-\infty}^{\infty} f(X=k)f(Y=\alpha-k) dk$$

ISNT THIS JUST ONE!?!?!!!??!



# Sum of Independent Uniforms

$$X \sim \text{Uni}(0, 1) \quad Y \sim \text{Uni}(0, 1)$$

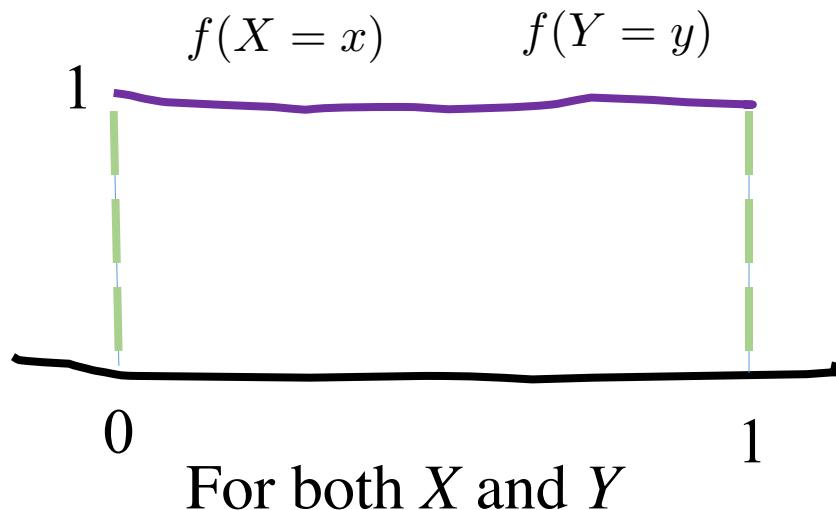
$X$  and  $Y$  are independent

$$f_{X+Y}(\alpha) ?$$

$$f_{X+Y}(\alpha) = \int_{k=-\infty}^{\infty} f(X=k)f(Y=\alpha-k) dk$$

For these values  
of  $k$ , the  
densities of  $f_X$   
and  $f_Y$  are 1

$$0 < k < 1 \quad 0 < \alpha - k < 1$$



# Sum of Independent Uniforms

$$X \sim \text{Uni}(0, 1) \quad Y \sim \text{Uni}(0, 1)$$

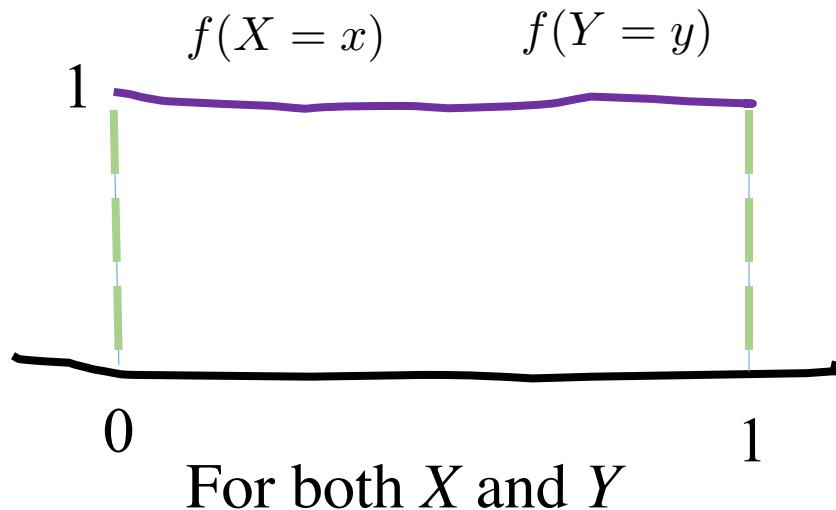
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$$f_{X+Y}(\alpha) = \int_{k=-\infty}^{\infty} f(X=k)f(Y=\alpha-k) dk$$

For these values  
of  $k$ , the  
densities of  $f_X$   
and  $f_Y$  are 1

$$0 < k < 1 \quad -\alpha < -k < 1 - \alpha$$



# Sum of Independent Uniforms

$$X \sim \text{Uni}(0, 1) \quad Y \sim \text{Uni}(0, 1)$$

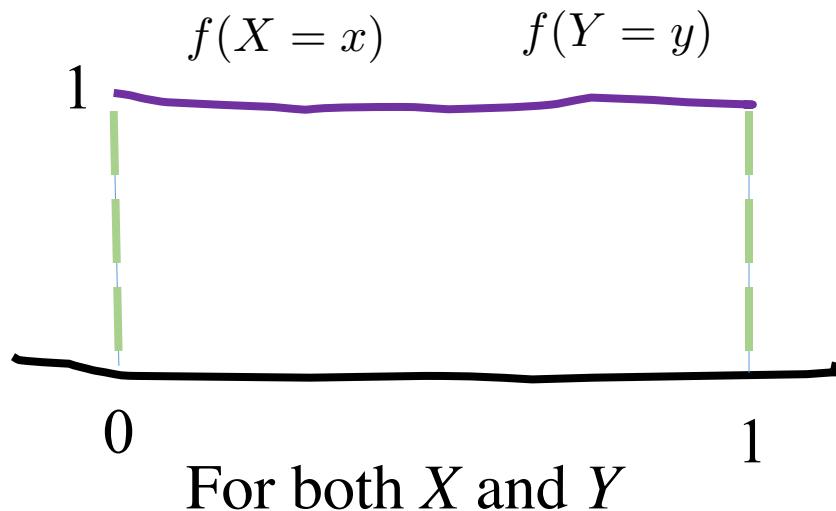
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For these values  
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densities of  $f_X$   
and  $f_Y$  are 1

$$0 < k < 1 \quad \alpha - 1 < k < \alpha$$



$$\alpha = \frac{1}{2}$$

$$X \sim \text{Uni}(0, 1) \quad Y \sim \text{Uni}(0, 1)$$

$X$  and  $Y$  are independent

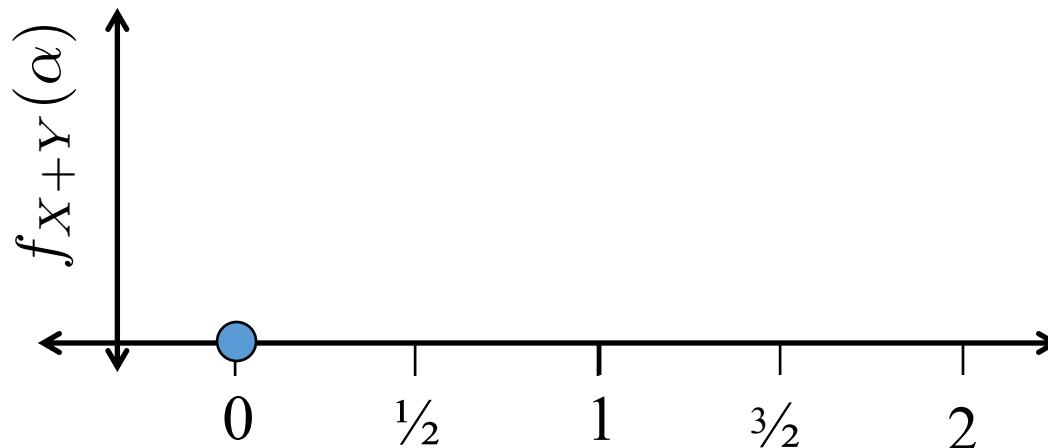
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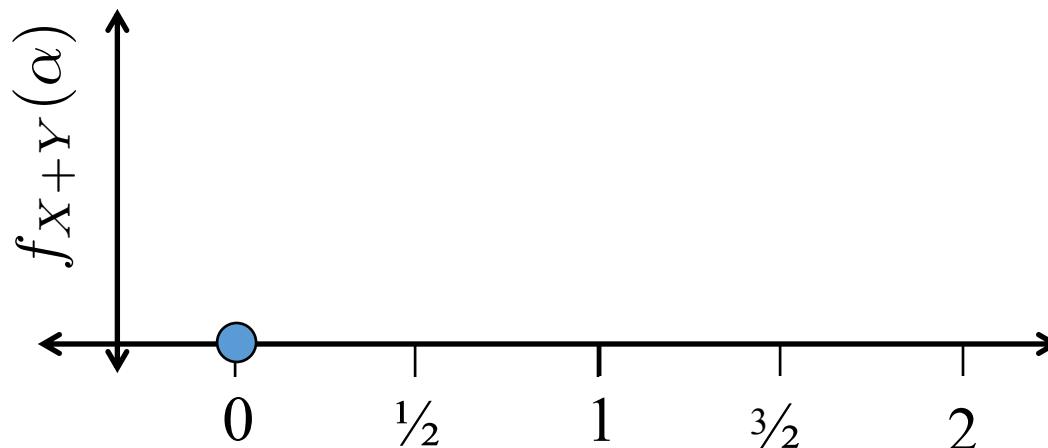
$$f_{X+Y}(\alpha) ?$$

$$f_{X+Y}(1/2) = \int_{k=-\infty}^{\infty} f(X=k)f(Y=1/2-k) dk$$

$$\alpha = 1/2$$

For these values  
of  $k$ , the  
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$$0 < k < 1 \quad \alpha - 1 < k < \alpha$$



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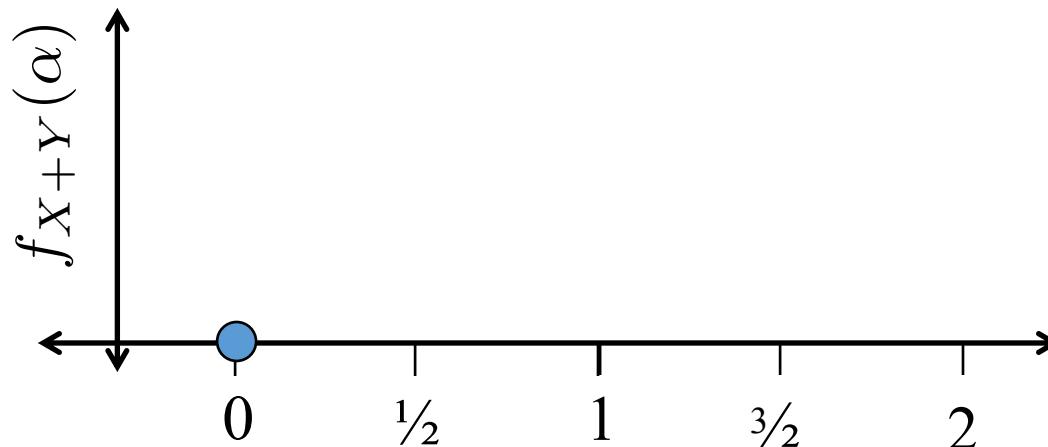
$$f_{X+Y}(\alpha) ?$$

$$f_{X+Y}(1/2) = \int_{k=-\infty}^{\infty} f(X=k)f(Y=1/2-k) dk$$

$$\alpha = 1/2$$

For these values  
of  $k$ , the  
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and  $f_Y$  are 1

$$0 < k < 1 \quad -1/2 < k < 1/2$$



$$\alpha = 1/2$$

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$X$  and  $Y$  are independent

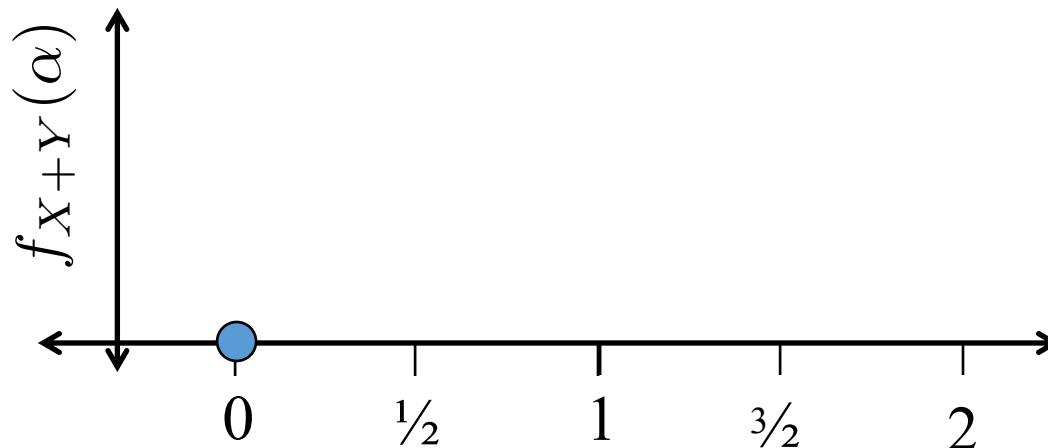
$$f_{X+Y}(\alpha) ?$$

$$f_{X+Y}(1/2) = \int_{k=0}^{1/2} f(X=k)f(Y=1/2-k) dk$$

$$\alpha = 1/2$$

For these values  
of  $k$ , the  
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and  $f_Y$  are 1

$$0 < k < 1 \quad -1/2 < k < 1/2$$



$$\alpha = 1/2$$

$$X \sim \text{Uni}(0, 1) \quad Y \sim \text{Uni}(0, 1)$$

$X$  and  $Y$  are independent

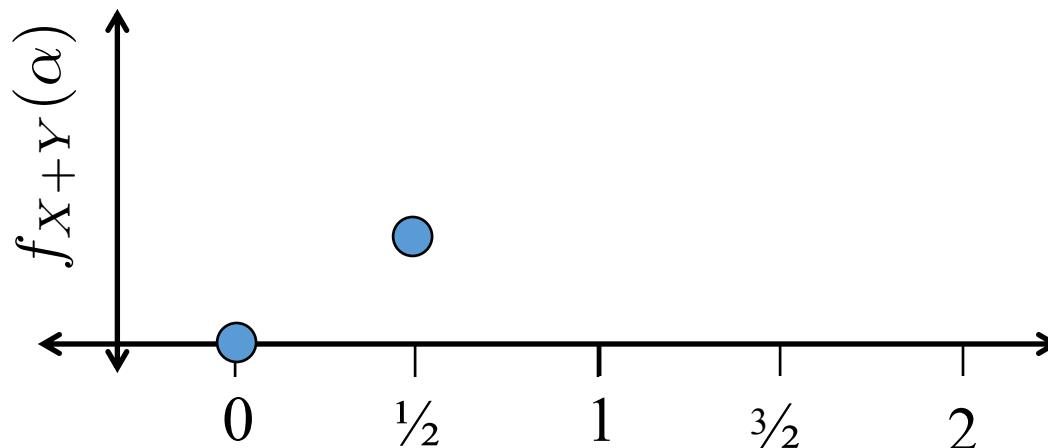
$$f_{X+Y}(\alpha) ?$$

$$f_{X+Y}(1/2) = \int_{k=0}^{1/2} 1 \ dk = 0.5$$

$$\alpha = 1/2$$

For these values  
of  $k$ , the  
densities are 1

$$0 < k < 1 \quad -1/2 < k < 1/2$$





$$0 < \alpha < 1$$

$$X \sim \text{Uni}(0, 1) \quad Y \sim \text{Uni}(0, 1)$$

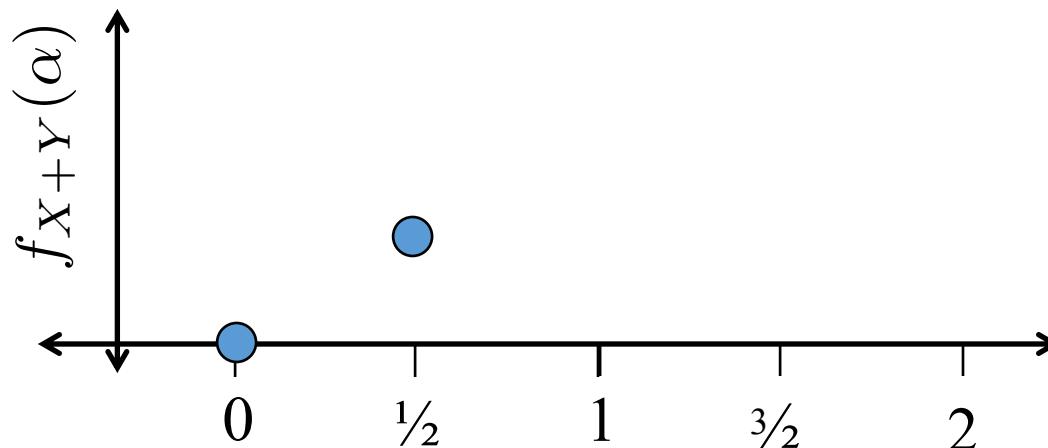
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$$0 < \alpha < 1$$

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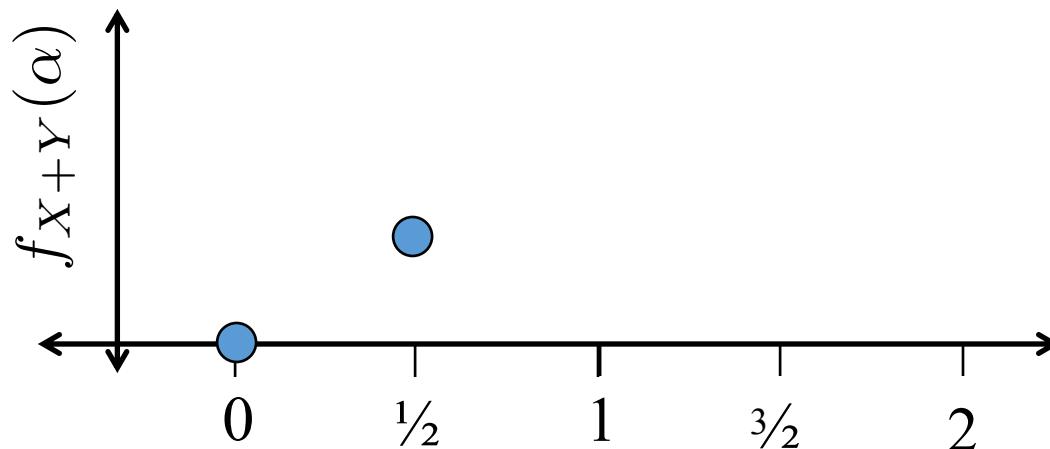
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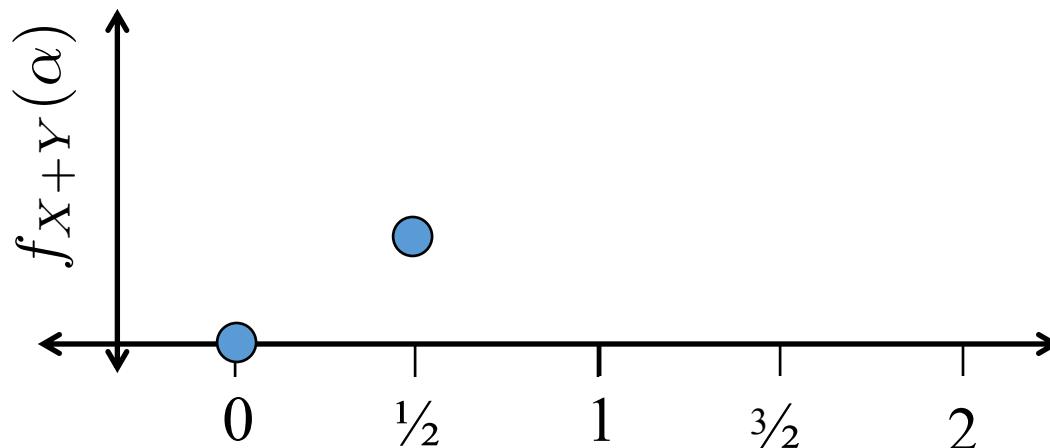
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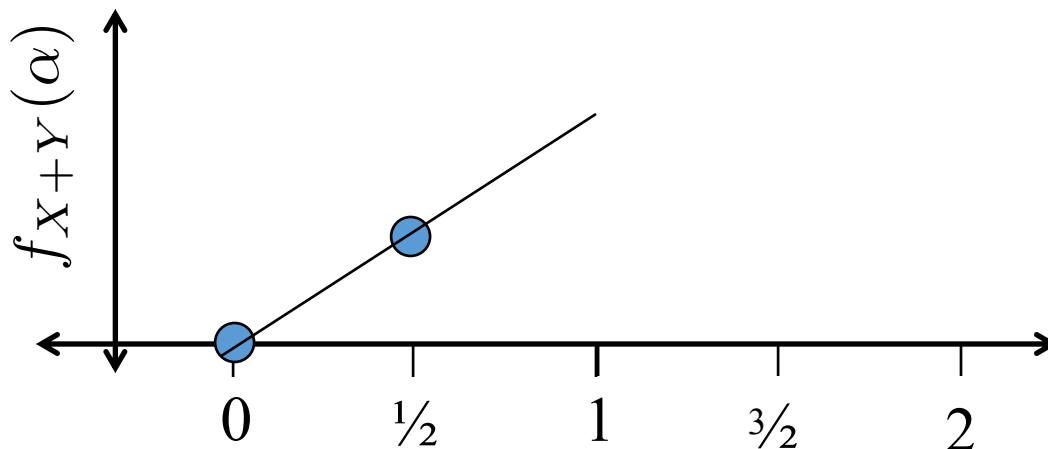
$$f_{X+Y}(\alpha) = \int_{k=0}^{\alpha} 1 \ dk = \alpha$$

For these values  
of  $k$ , the  
densities are 1

$$0 < k < 1$$

$$\alpha - 1 < k < \alpha$$

$$0 < k < \alpha$$





$$1 < \alpha < 2$$

$$X \sim \text{Uni}(0, 1) \quad Y \sim \text{Uni}(0, 1)$$

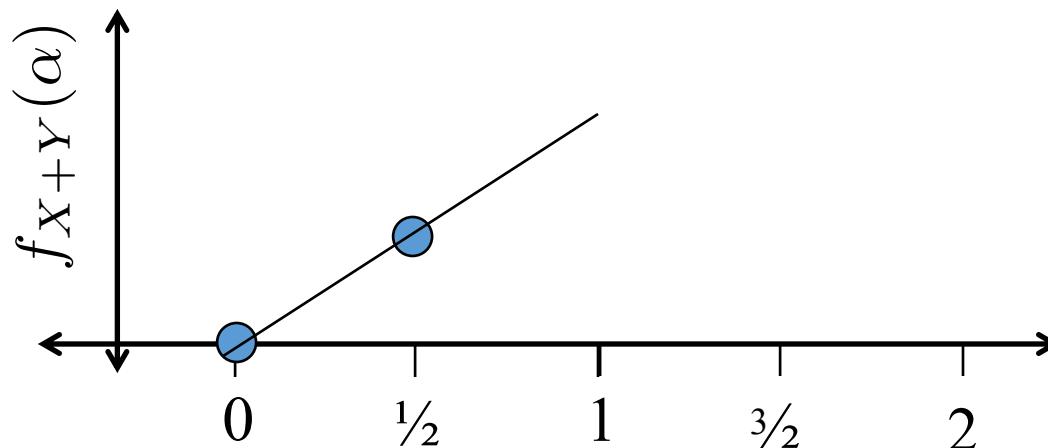
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$$f_{X+Y}(\alpha) ?$$

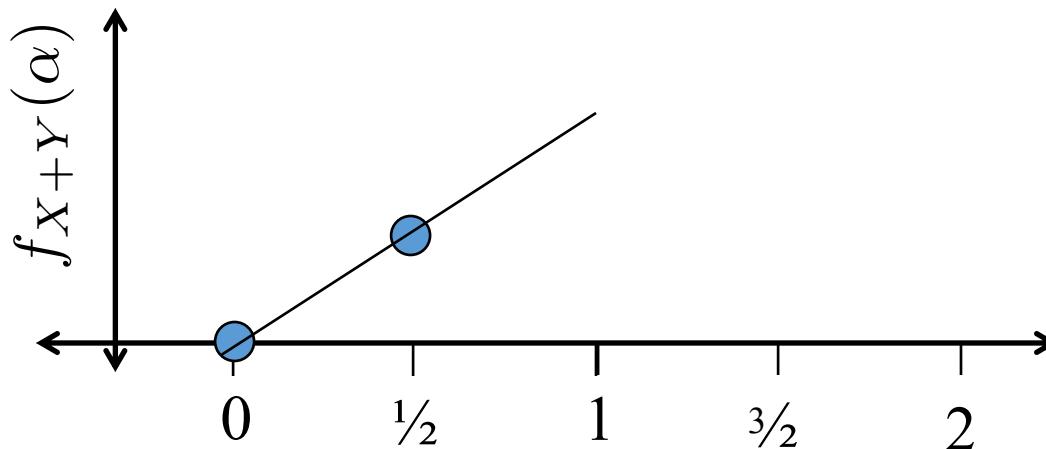
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For these values  
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$$0 < k < 1$$

$$\alpha - 1 < k < \alpha$$

$$\alpha - 1 < k < 1$$



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$X$  and  $Y$  are independent

$$f_{X+Y}(\alpha) ?$$

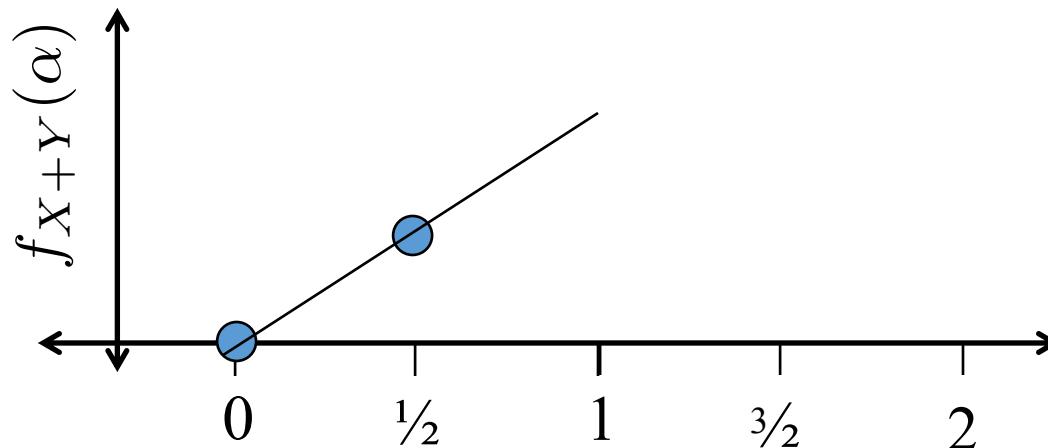
$$f_{X+Y}(\alpha) = \int_{k=\alpha-1}^1 f(X=k)f(Y=\alpha-k) dk$$

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$$0 < k < 1$$

$$\alpha - 1 < k < \alpha$$

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$$f_{X+Y}(\alpha) ?$$

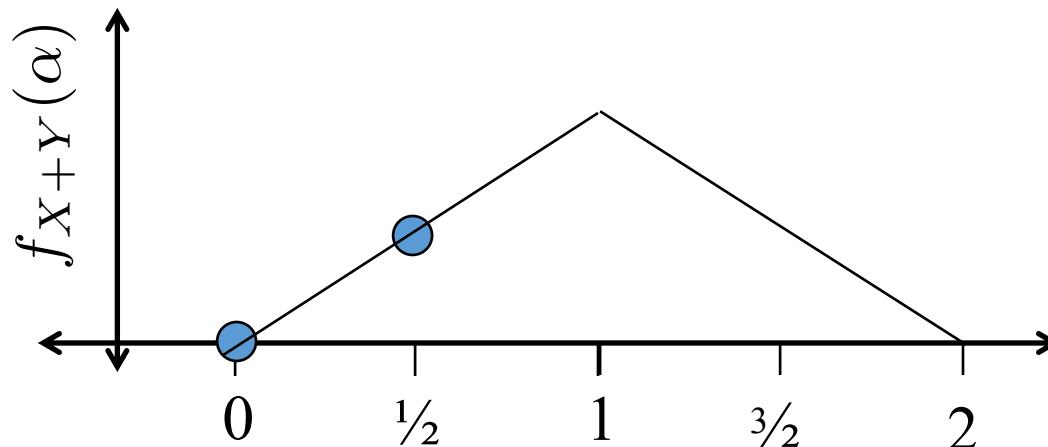
$$f_{X+Y}(\alpha) = \int_{k=\alpha-1}^1 1 \ dk = 2 - \alpha$$

For these values  
of  $k$ , the  
densities are 1

$$0 < k < 1$$

$$\alpha - 1 < k < \alpha$$

$$\alpha - 1 < k < 1$$



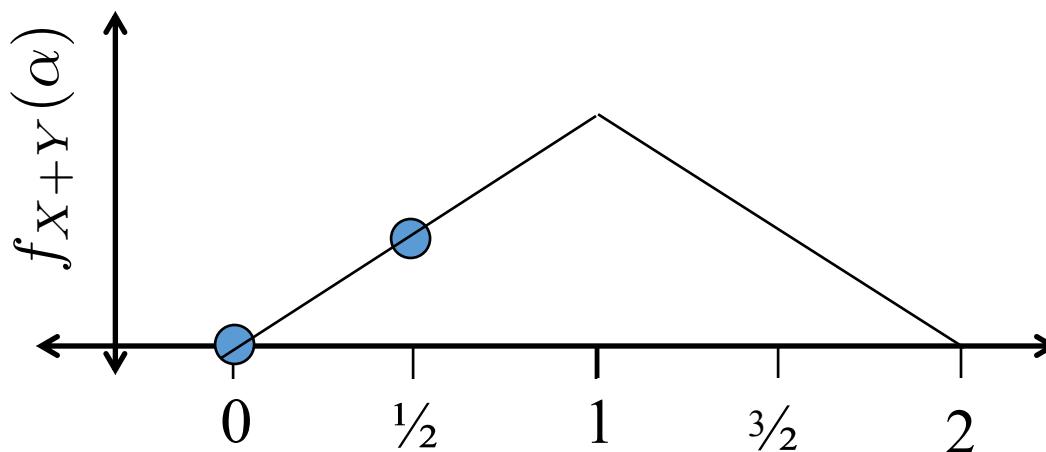
$$1 < \alpha < 2$$

$$X \sim \text{Uni}(0, 1) \quad Y \sim \text{Uni}(0, 1)$$

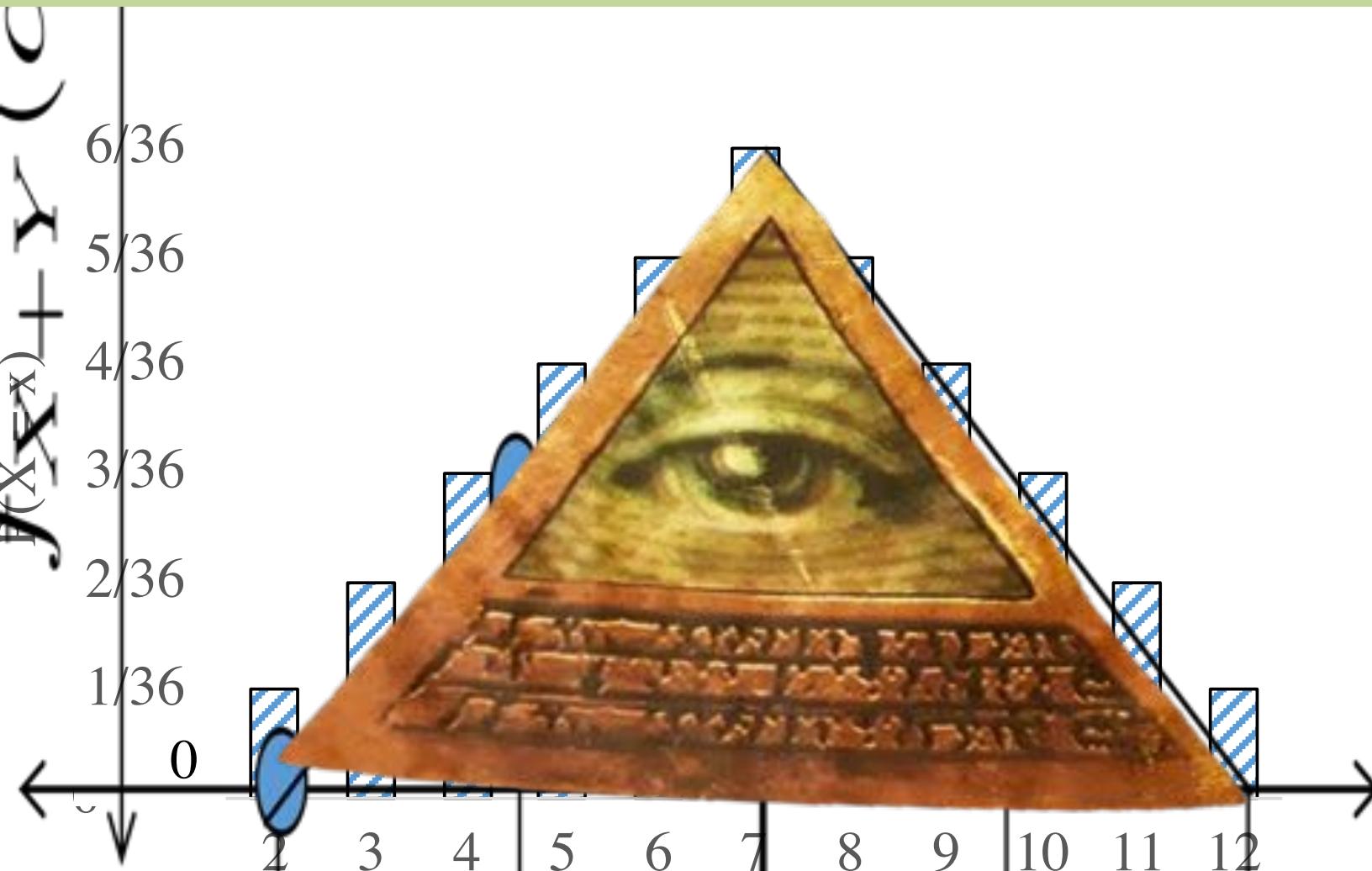
$X$  and  $Y$  are independent

$$f_{X+Y}(\alpha) ?$$

$$f_{X+Y}(a) = \begin{cases} a & 0 \leq a \leq 1 \\ 2 - a & 1 < a \leq 2 \\ 0 & \text{otherwise} \end{cases}$$



# Sum of Uniforms and Sum of Dice



0

$1/2$

1

$3/2$

2



That was hard...

Ready for something easy and truly  
useful?

# Sum of Independent Normals

- Let  $X$  and  $Y$  be independent random variables
  - $X \sim N(\mu_1, \sigma_1^2)$  and  $Y \sim N(\mu_2, \sigma_2^2)$
  - $X + Y \sim N(\mu_1 + \mu_2, \sigma_1^2 + \sigma_2^2)$
- Generally, have  $n$  independent random variables  $X_i \sim N(\mu_i, \sigma_i^2)$  for  $i = 1, 2, \dots, n$ :

$$\left( \sum_{i=1}^n X_i \right) \sim N\left( \sum_{i=1}^n \mu_i, \sum_{i=1}^n \sigma_i^2 \right)$$

# Virus Infections

- Say you are working with the WHO to plan a response to the initial conditions of a virus:
  - Two exposed groups
  - P1: 50 people, each independently infected with  $p = 0.1$
  - P2: 100 people, each independently infected with  $p = 0.4$
  - Question: Probability of more than 40 infections?

**Sanity check:** Should we use the Binomial Sum-of-RVs shortcut?

- A. YES!
- B. NO!
- C. Other/none/more

# Virus Infections

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    - P1: 50 people, each independently infected with  $p = 0.1$
    - P2: 100 people, each independently infected with  $p = 0.4$
    - Question: Probability of more than 40 infections?
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# Virus Infections

- Say you are working with the WHO to plan a response to the initial conditions of a virus:
  - Two exposed groups
  - P1: 50 people, each independently infected with  $p = 0.1$
  - P2: 100 people, each independently infected with  $p = 0.4$
  - $A = \# \text{ infected in P1}$       $A \sim \text{Bin}(50, 0.1) \approx X \sim N(5, 4.5)$
  - $B = \# \text{ infected in P2}$       $B \sim \text{Bin}(100, 0.4) \approx Y \sim N(40, 24)$
  - What is  $P(\geq 40 \text{ people infected})?$
  - $P(A + B \geq 40) \approx P(X + Y \geq 39.5)$
  - $X + Y = W \sim N(5 + 40 = 45, 4.5 + 24 = 28.5)$

$$P(W \geq 39.5) = P\left(\frac{W - 45}{\sqrt{28.5}} > \frac{39.5 - 45}{\sqrt{28.5}}\right) = 1 - \Phi(-1.03) \approx 0.8485$$

# Linear Transform

$$X \sim N(\mu, \sigma^2)$$

$$Y = X + X = 2 \cdot X$$

$$Y \sim N(2\mu, 4\sigma^2)$$

---

$$Y = X + X = 2 \cdot X$$

$$X + X \sim N(\mu + \mu, \sigma^2 + \sigma^2)$$

$$Y \sim N(2\mu, 2\sigma^2)$$



$X$  is not  
independent of  $X$

# Motivating Idea: Zero Sum Games

How it works:

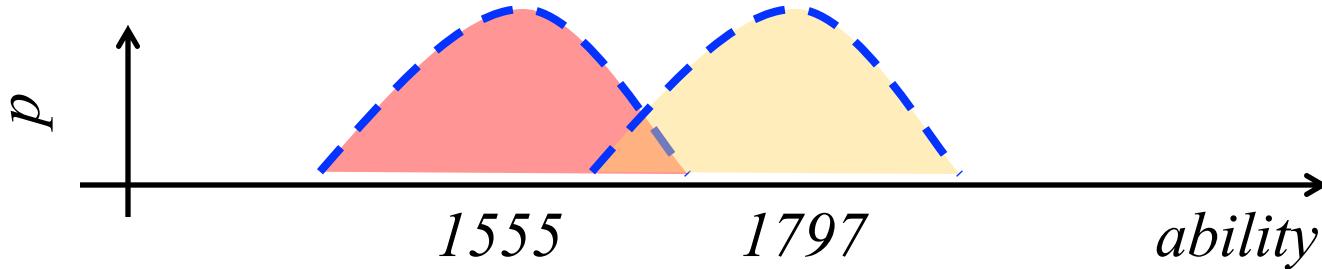
- Each team has an “ELO” score  $S$ , calculated based on their past performance.
- Each game, the team has ability  $A \sim N(S, 200^2)$
- The team with the higher sampled ability wins.



Arpad Elo

$$A_B \sim \mathcal{N}(1555, 200^2)$$

$$A_W \sim \mathcal{N}(1797, 200^2)$$



$$P(\text{Warriors win}) = P(A_W > A_B)$$

# Motivating Idea: Zero Sum Games

$$A_B \sim \mathcal{N}(1555, 200^2) \quad A_W \sim \mathcal{N}(1797, 200^2)$$

$$\begin{aligned} P(\text{Warriors win}) &= P(A_W > A_B) \\ &= P(A_W - A_B > 0) \end{aligned}$$

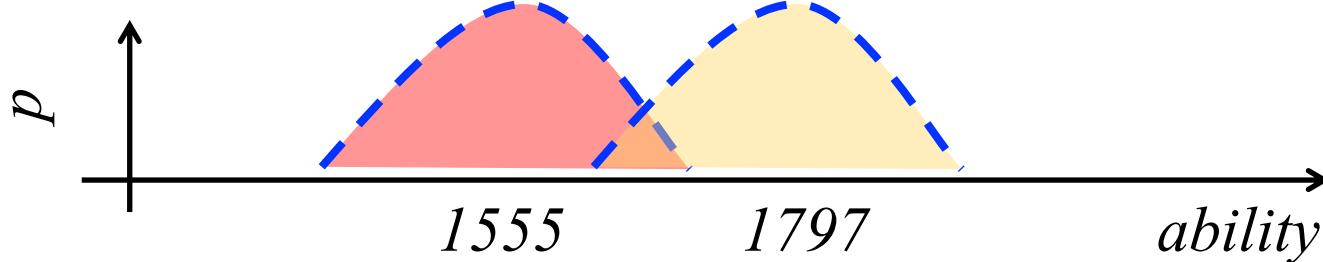
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$$D = A_W - A_B$$

$$D \sim N(\mu = 1795 - 1555, \sigma_2 = 2 \cdot 200^2)$$

$$\sim N(\mu = 240, \sigma_2 = 283)$$

$$P(D > 0) = F_D(0) = 1 - \Phi\left(\frac{0 - 240}{283}\right) \approx 0.65$$



# Dance of Covariance

# Recall our Ebola Bats



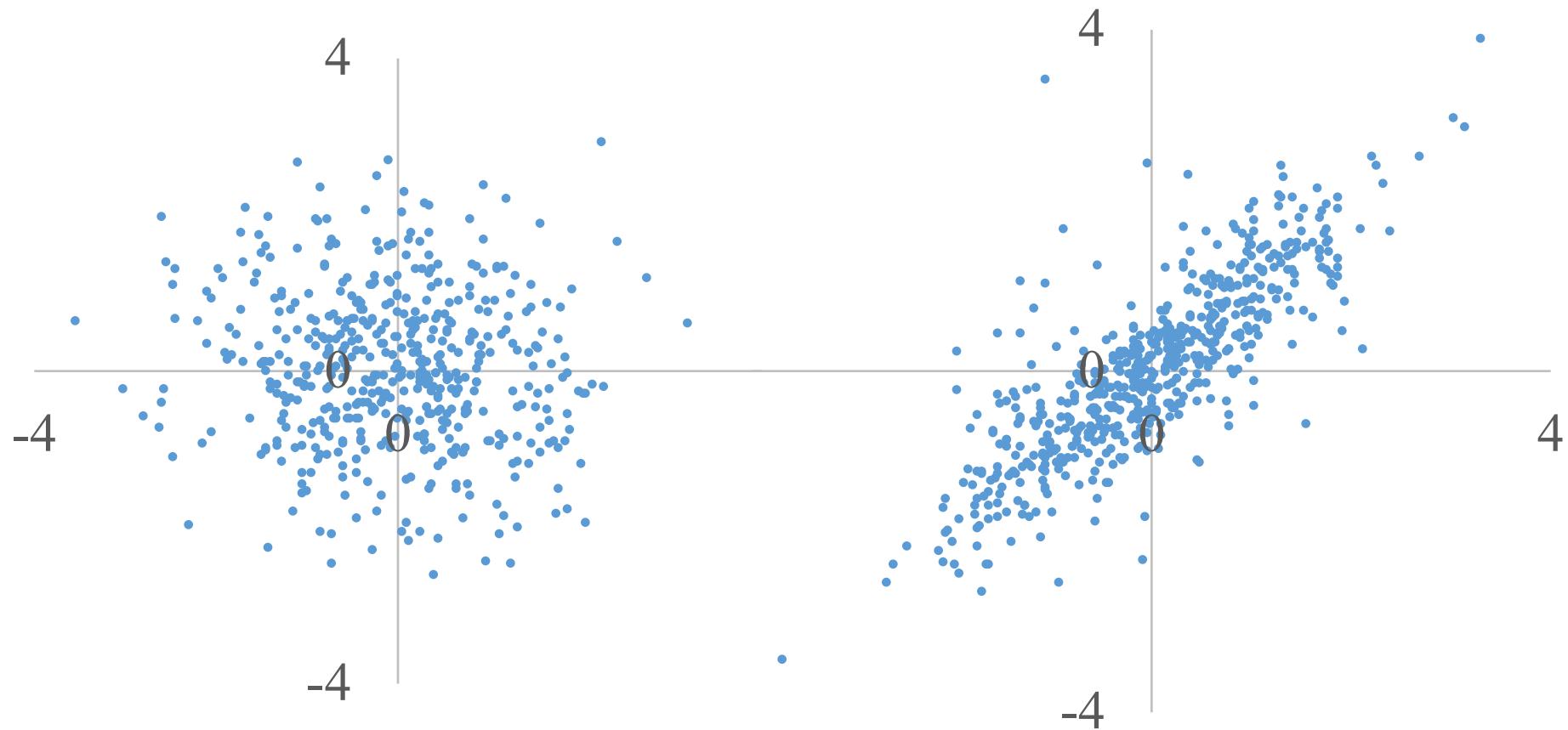
# Bat Data

Gene1	Gene2	Gene3	Gene4	Gene5	Trait
TRUE	FALSE	TRUE	TRUE	FALSE	FALSE
FALSE	FALSE	TRUE	TRUE	TRUE	TRUE
TRUE	FALSE	TRUE	FALSE	FALSE	FALSE
TRUE	FALSE	TRUE	TRUE	TRUE	FALSE
FALSE	TRUE	TRUE	TRUE	TRUE	TRUE
FALSE	FALSE	FALSE	TRUE	FALSE	FALSE
TRUE	FALSE	FALSE	TRUE	FALSE	FALSE
TRUE	FALSE	FALSE	TRUE	FALSE	FALSE
TRUE	FALSE	TRUE	FALSE	FALSE	FALSE
FALSE	TRUE	FALSE	TRUE	FALSE	FALSE
TRUE	TRUE	FALSE	TRUE	FALSE	FALSE
TRUE	FALSE	FALSE	TRUE	FALSE	FALSE
TRUE	FALSE	TRUE	TRUE	TRUE	FALSE
FALSE	FALSE	TRUE	TRUE	FALSE	FALSE
TRUE	FALSE	FALSE	TRUE	FALSE	FALSE
TRUE	FALSE	FALSE	TRUE	FALSE	FALSE
...					
TRUE	FALSE	FALSE	TRUE	FALSE	FALSE

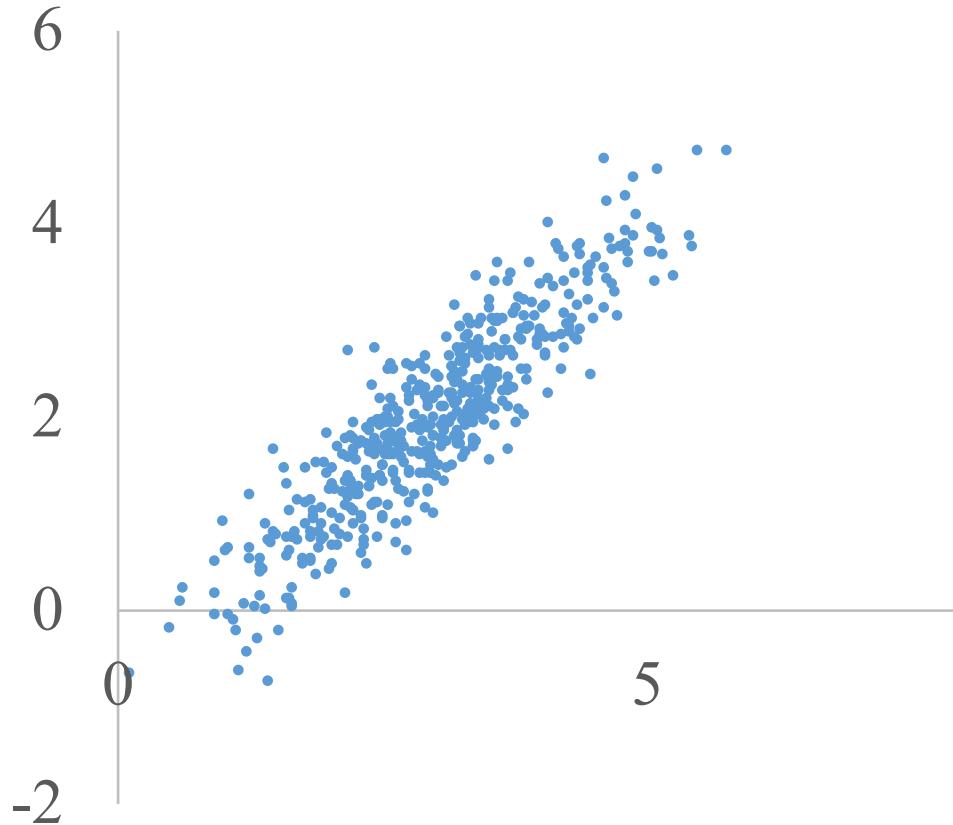
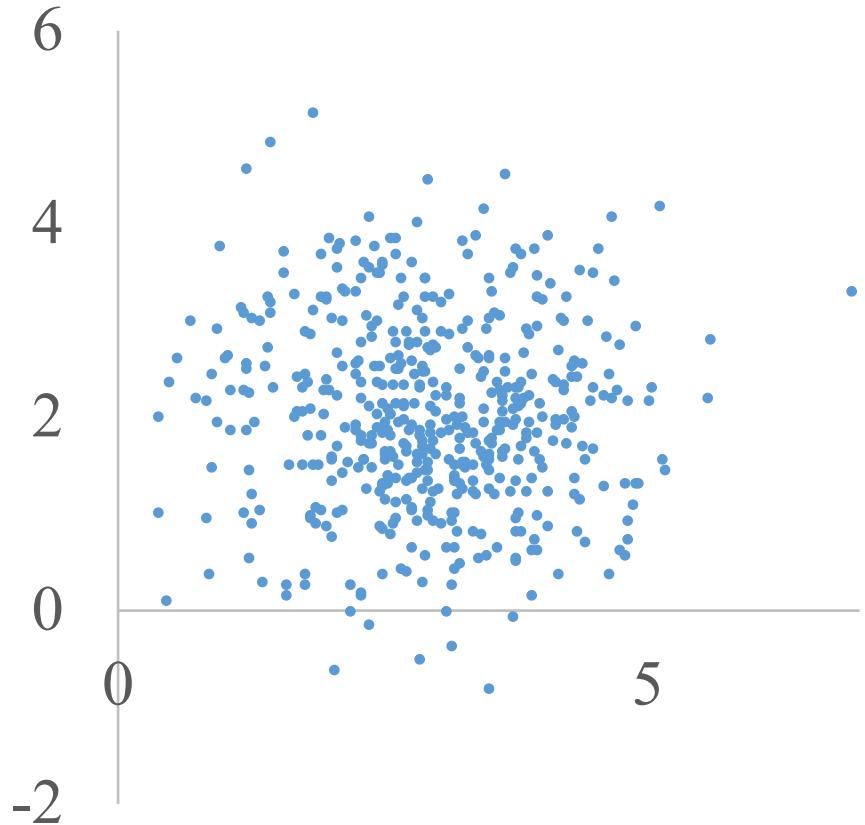
# Expression Amount

Gene5	Trait
0.76	0.83
0.94	0.85
0.82	0.03
0.94	0.32
0.50	0.10
0.40	0.53
0.90	0.67
0.29	0.71
0.72	0.25
0.15	0.24
0.79	0.98
0.68	0.77
0.71	0.37
0.36	0.18
0.62	0.08
0.59	0.38
0.82	0.76

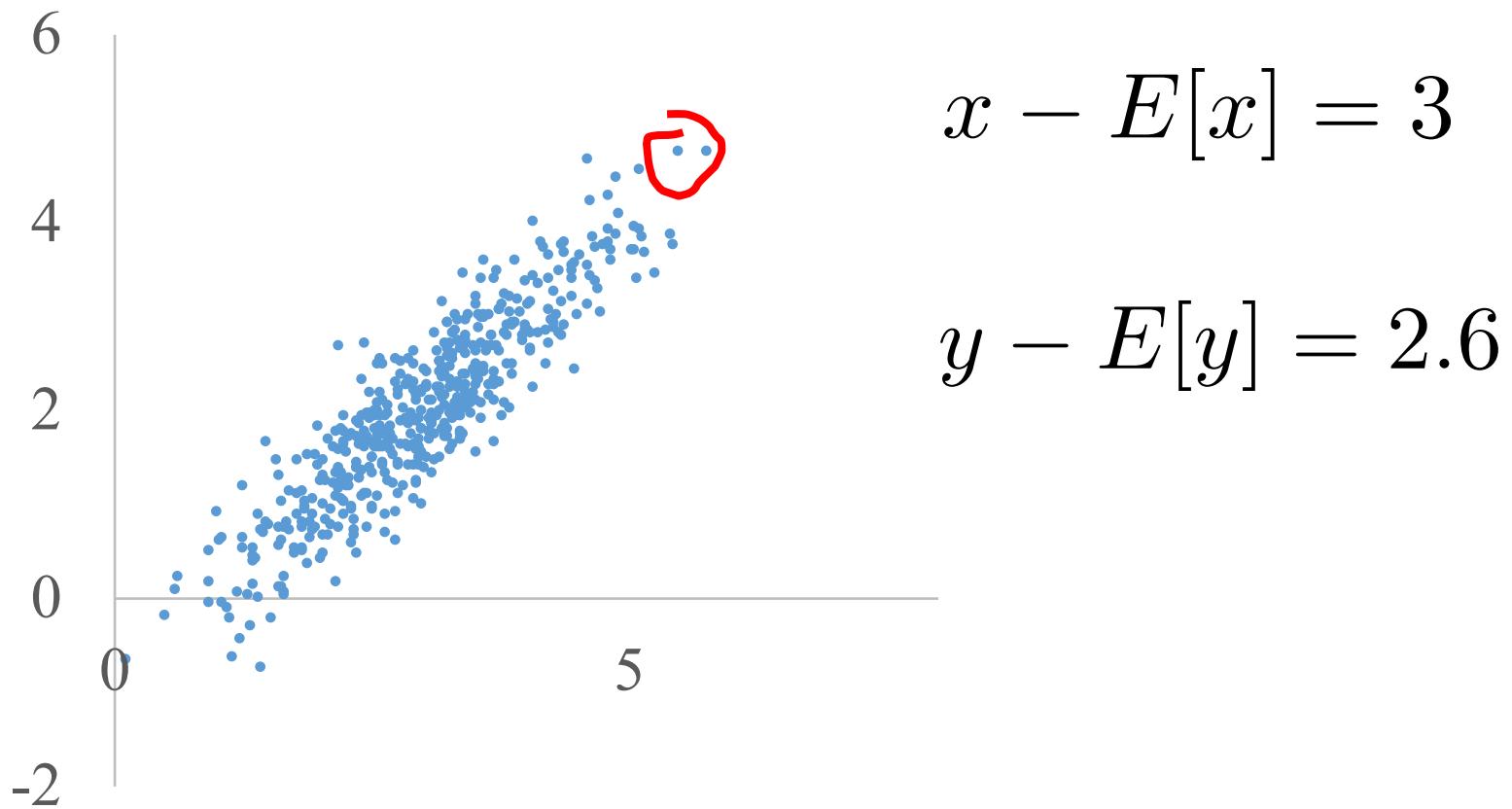
# Spot The Difference



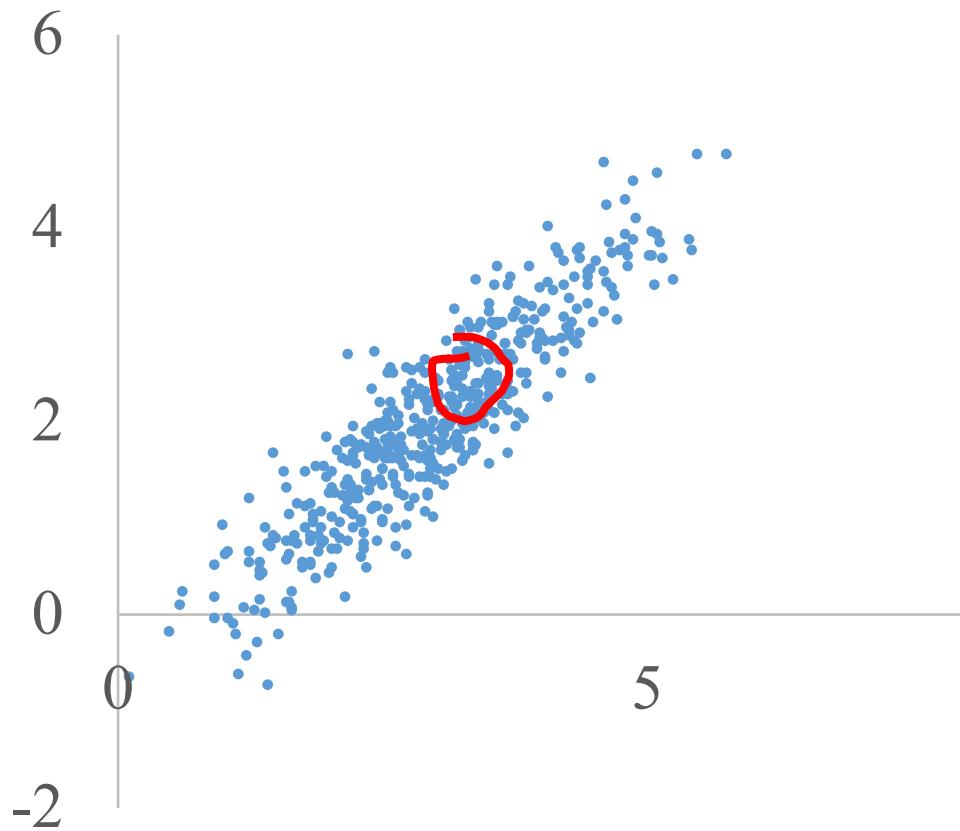
# Spot The Difference



# Vary Together



# Vary Together

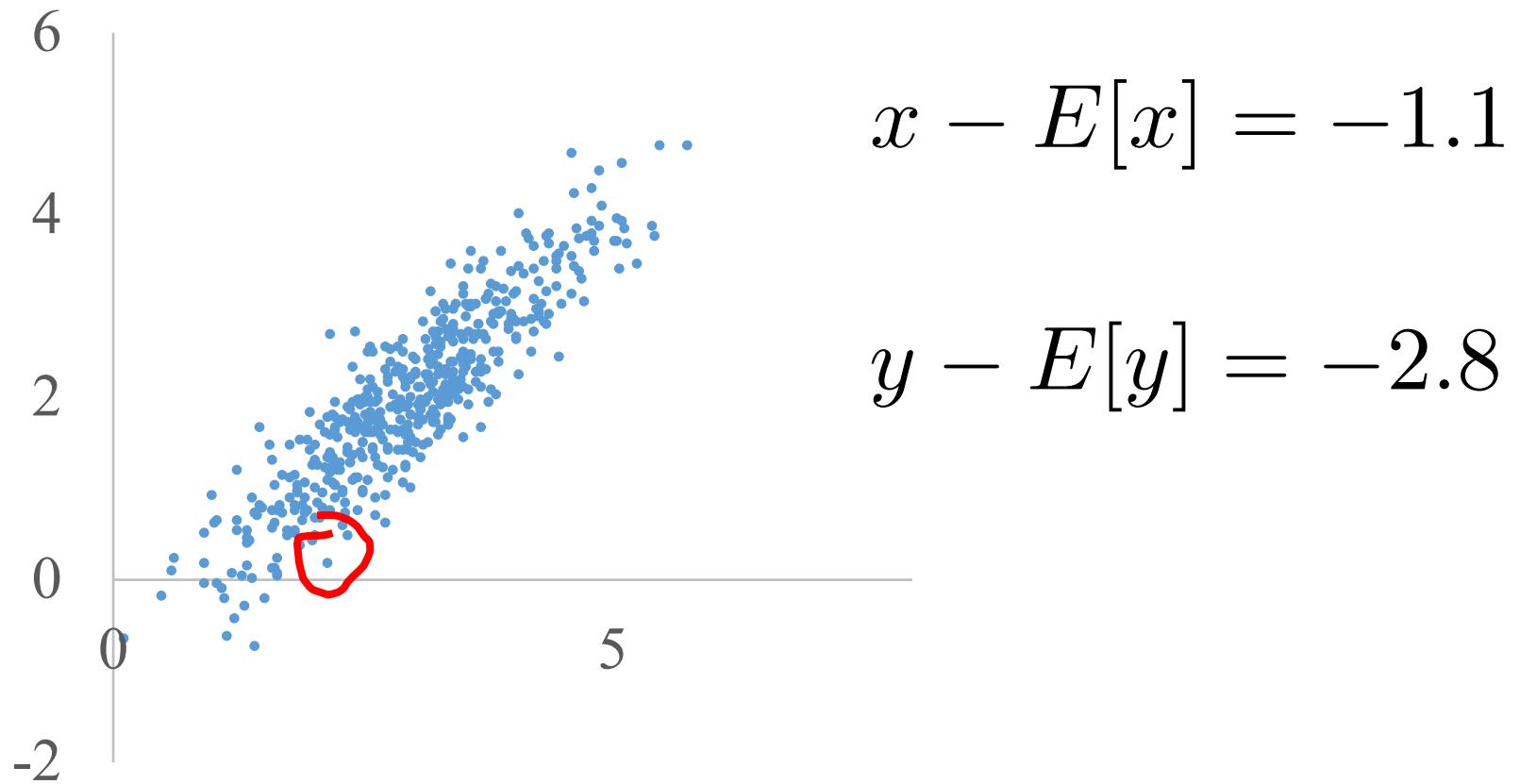


$$x - E[x] \approx 0$$

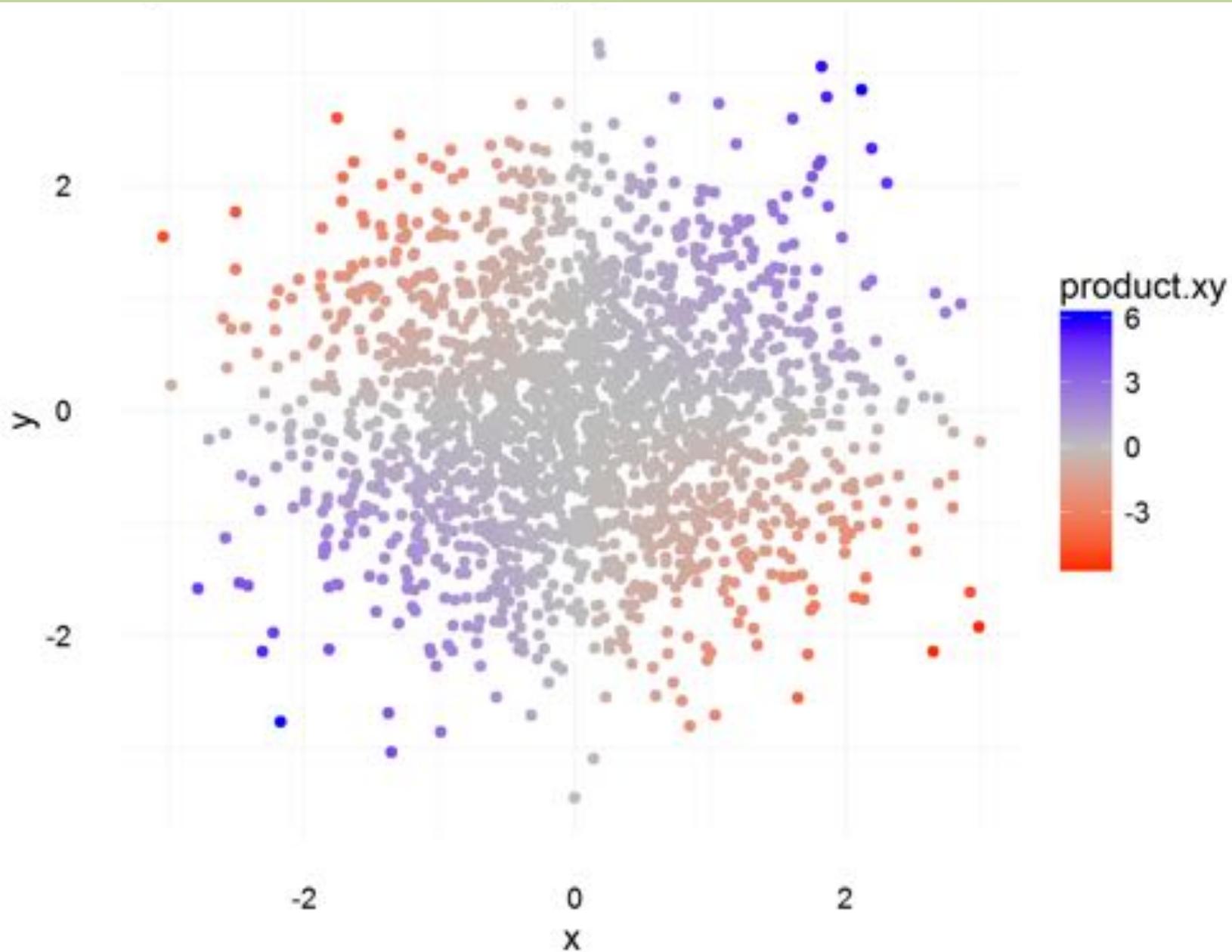
$$y - E[y] \approx 0$$

$$(x - E[x])(y - E[y]) = 0$$

# Vary Together



# Understanding Covariance



# The Dance of the Covariance

- Say X and Y are arbitrary random variables
- Covariance of X and Y:

$$\text{Cov}(X, Y) = E[(X - E[X])(Y - E[Y])]$$

x	y	$(x - E[X])(y - E[Y])p(x,y)$
Above mean	Above mean	Positive
Below mean	Below mean	Positive
Below mean	Above mean	Negative
Above mean	Below mean	Negative

# The Dance of the Covariance

- Say  $X$  and  $Y$  are arbitrary random variables
- Covariance of  $X$  and  $Y$ :

$$\text{Cov}(X, Y) = E[(X - E[X])(Y - E[Y])]$$

- Equivalently:

$$\begin{aligned}\text{Cov}(X, Y) &= E[XY - E[X]Y - XE[Y] + E[Y]E[X]] \\ &= E[XY] - E[X]E[Y] - E[X]E[Y] + E[X]E[Y] \\ &= E[XY] - E[X]E[Y]\end{aligned}$$

- $X$  and  $Y$  independent,  $E[XY] = E[X]E[Y] \rightarrow \text{Cov}(X, Y) = 0$
- But  $\text{Cov}(X, Y) = 0$  does not imply  $X$  and  $Y$  independent!

# Covariance and Data

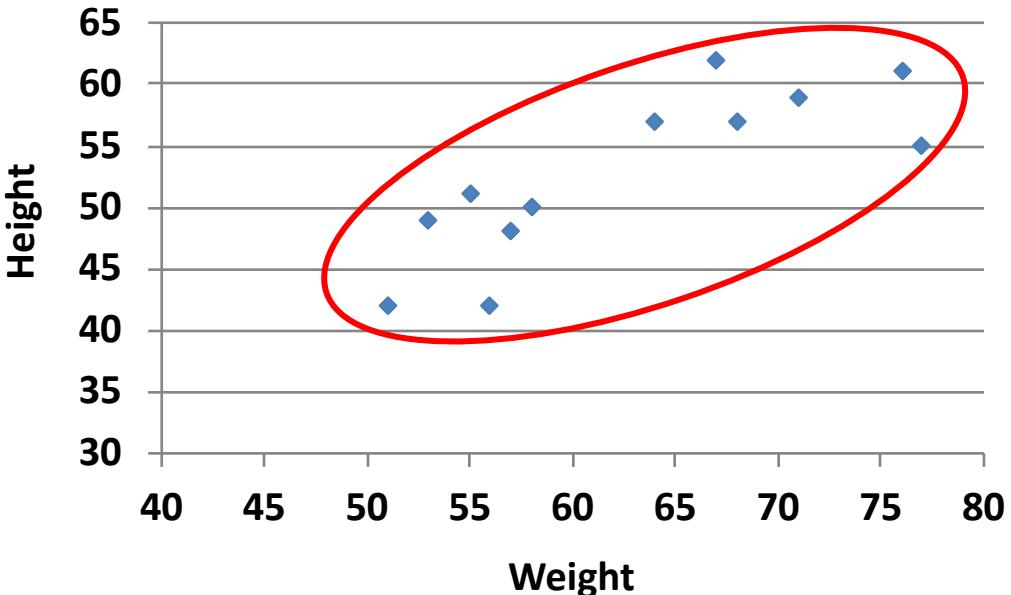
- Consider the following data:

Weight	Height	Weight * Height
--------	--------	-----------------

64	57	3648
71	59	4189
53	49	2597
67	62	4154
55	51	2805
58	50	2900
77	55	4235
57	48	2736
56	42	2352
51	42	2142
76	61	4636
68	57	3876

$$\begin{aligned} E[W] &= 62.75 \\ E[H] &= 52.75 \end{aligned}$$

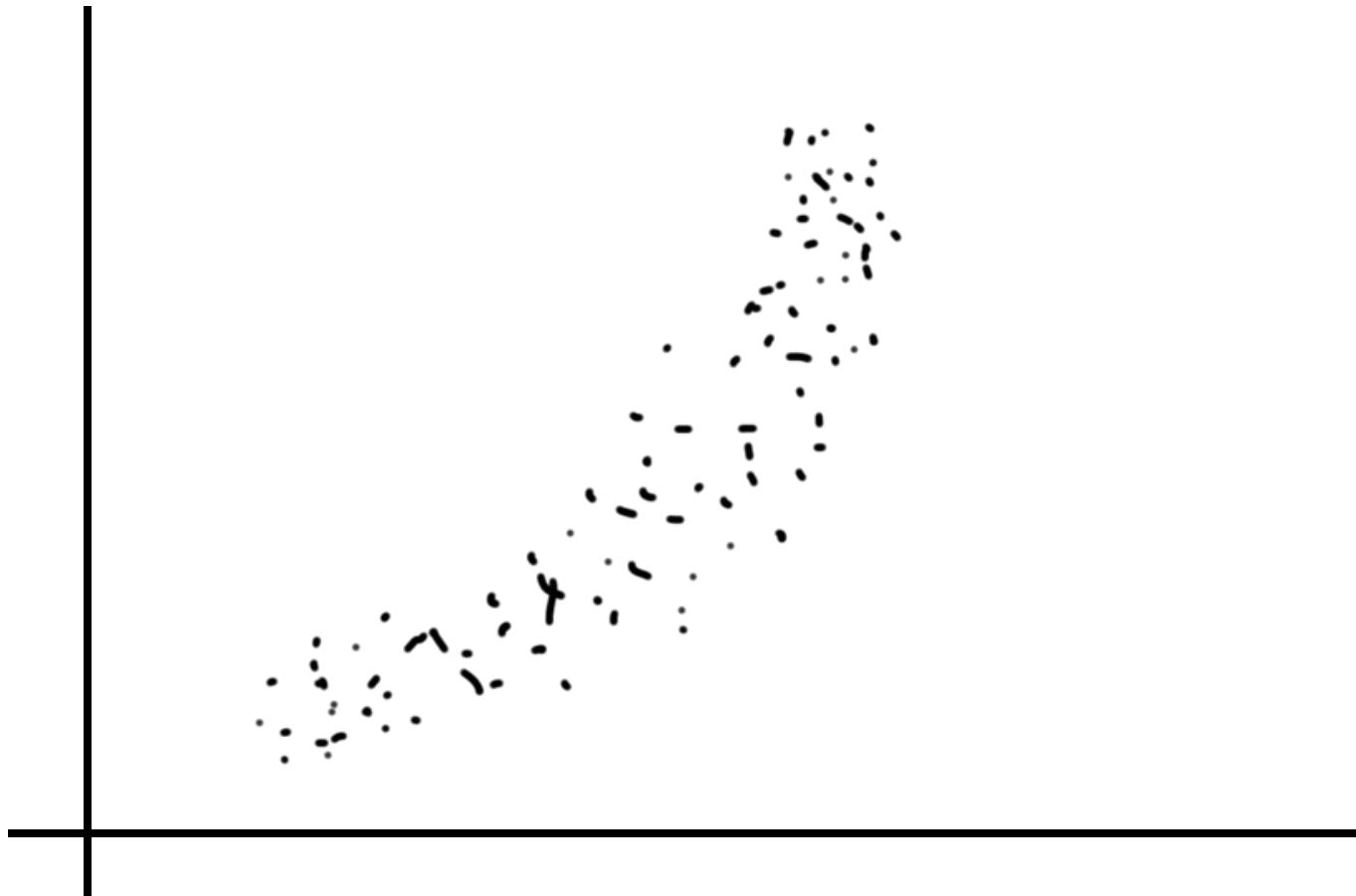
$$\begin{aligned} E[W^*H] &= 3355.83 \end{aligned}$$



$$\begin{aligned} \text{Cov}(W, H) &= E[W^*H] - E[W]E[H] \\ &= 3355.83 - (62.75)(52.75) \\ &= 45.77 \end{aligned}$$

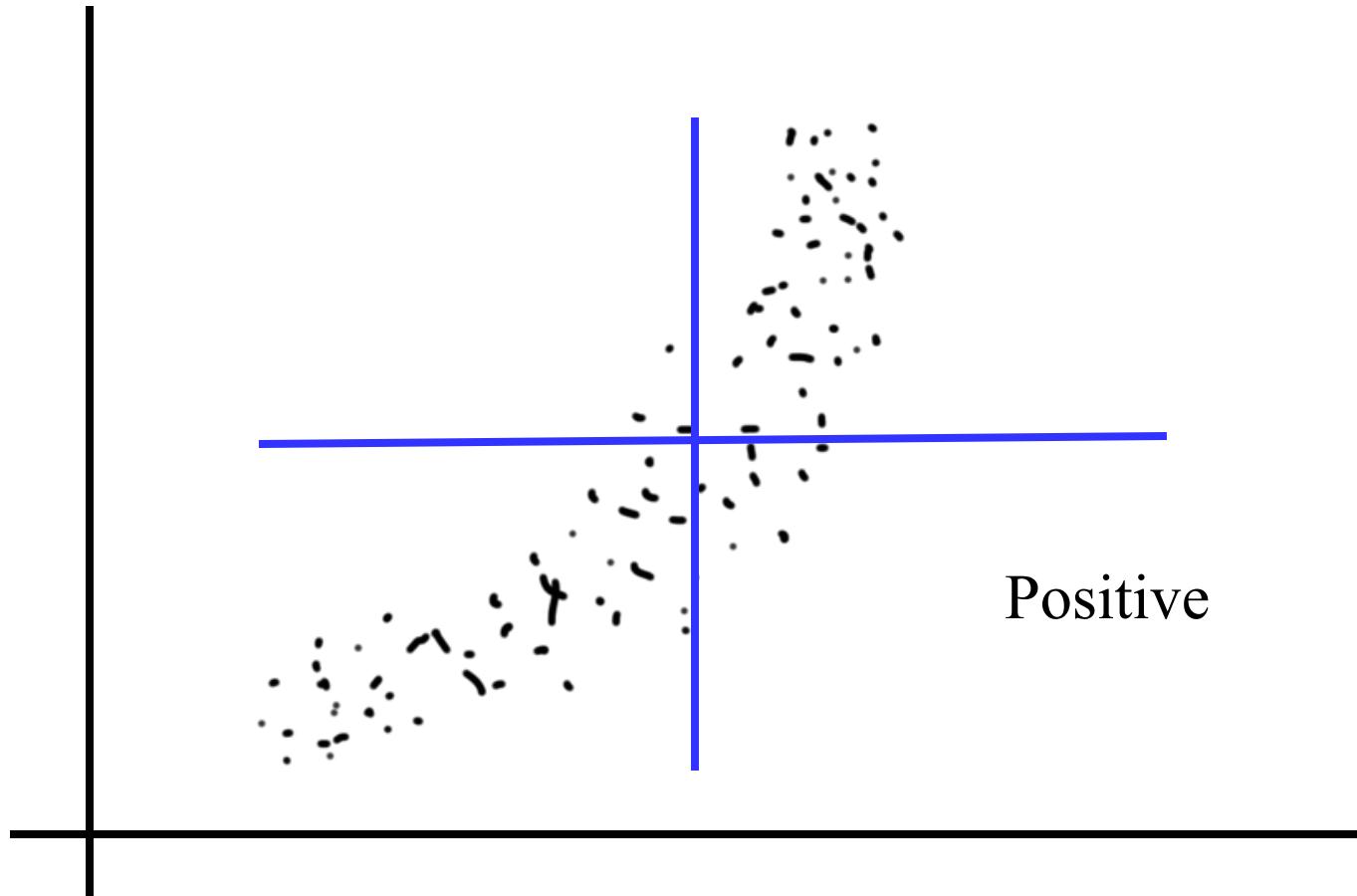
# Covariance

Poll: (a) positive, (b) negative, (c) zero



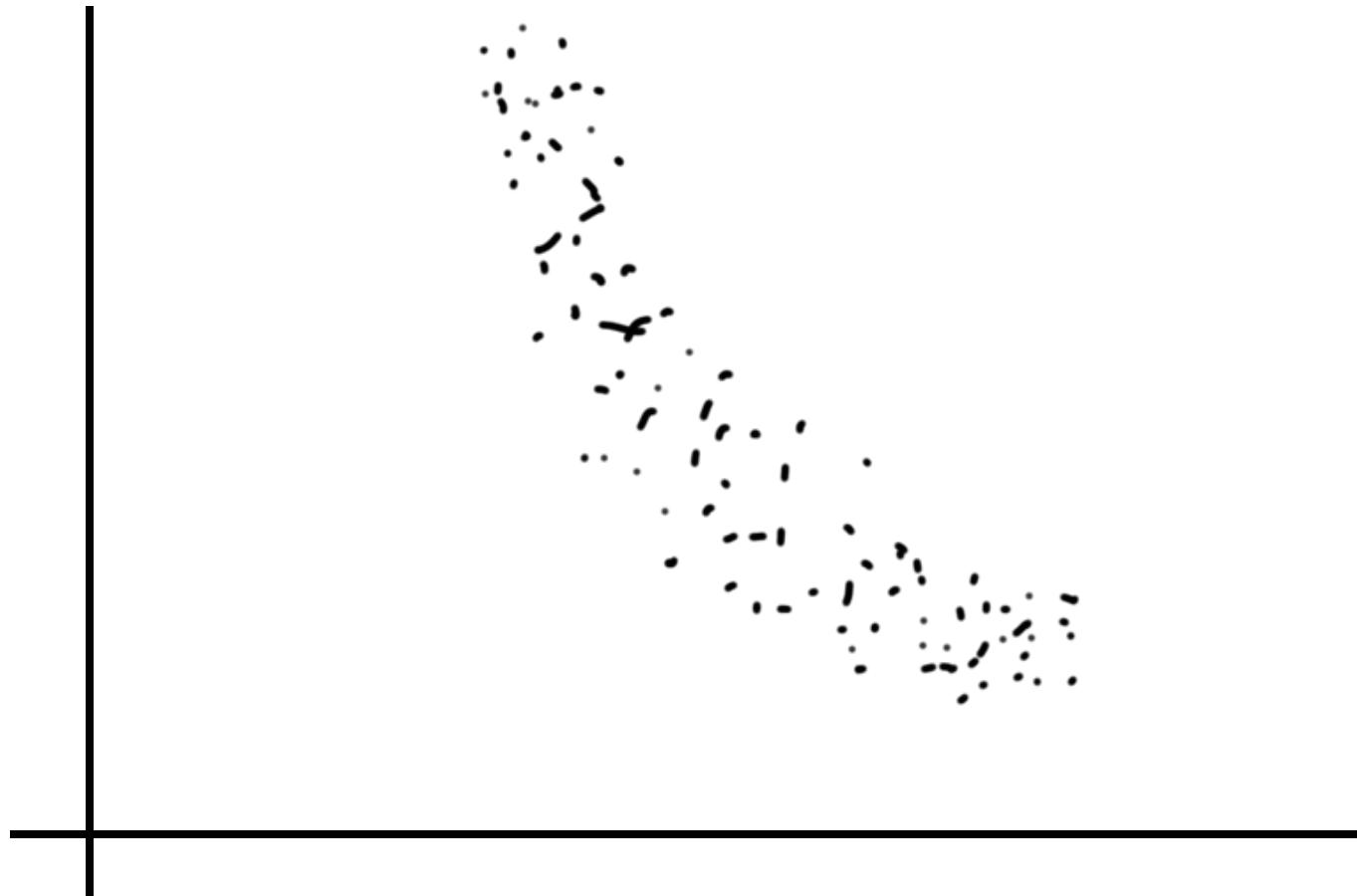
# Covariance

Is the Covariance: (a) positive, (b) negative, (c) zero



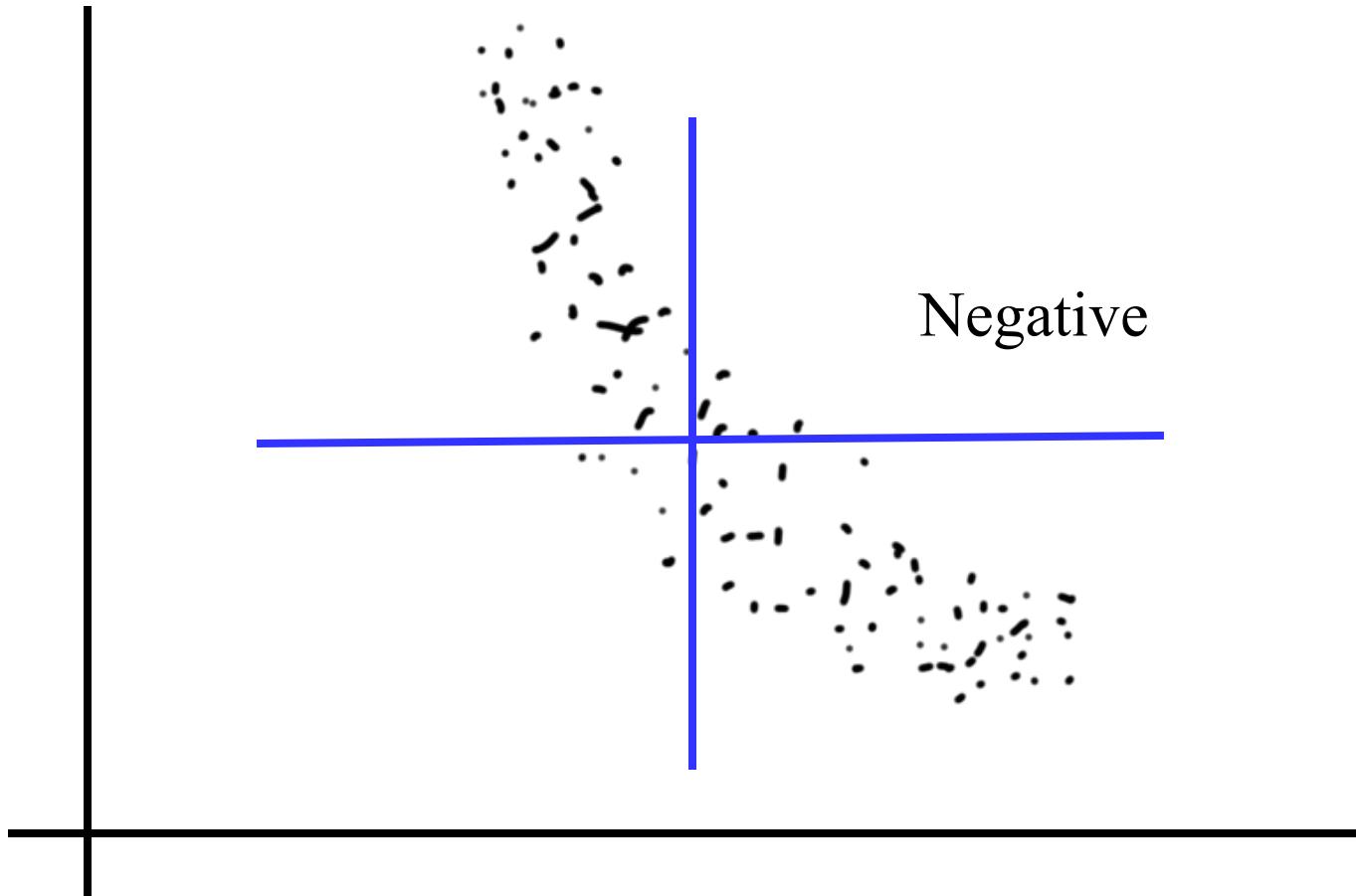
# Covariance

Is the Covariance: (a) positive, (b) negative, (c) zero



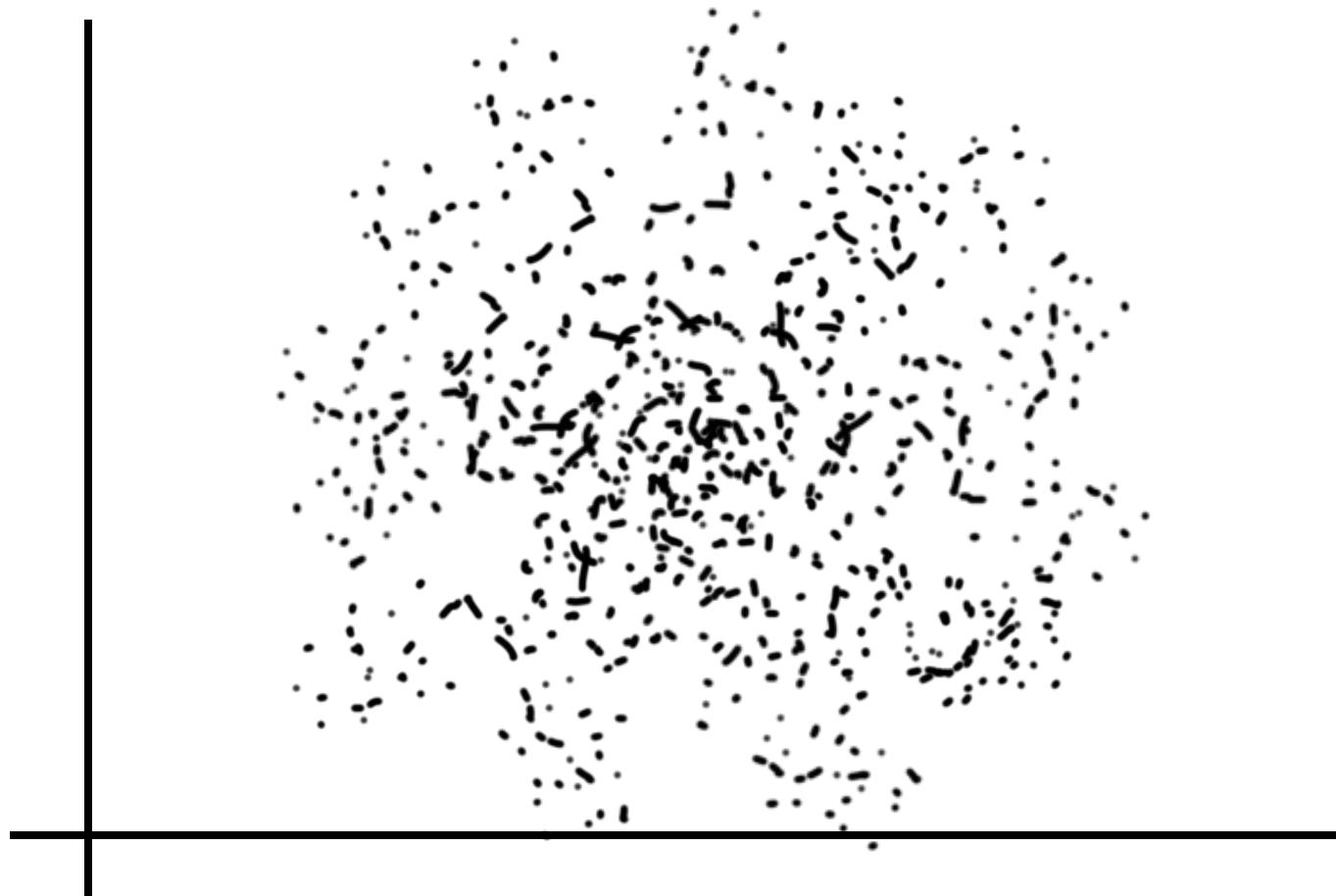
# Covariance

Is the Covariance: (a) positive, (b) negative, (c) zero



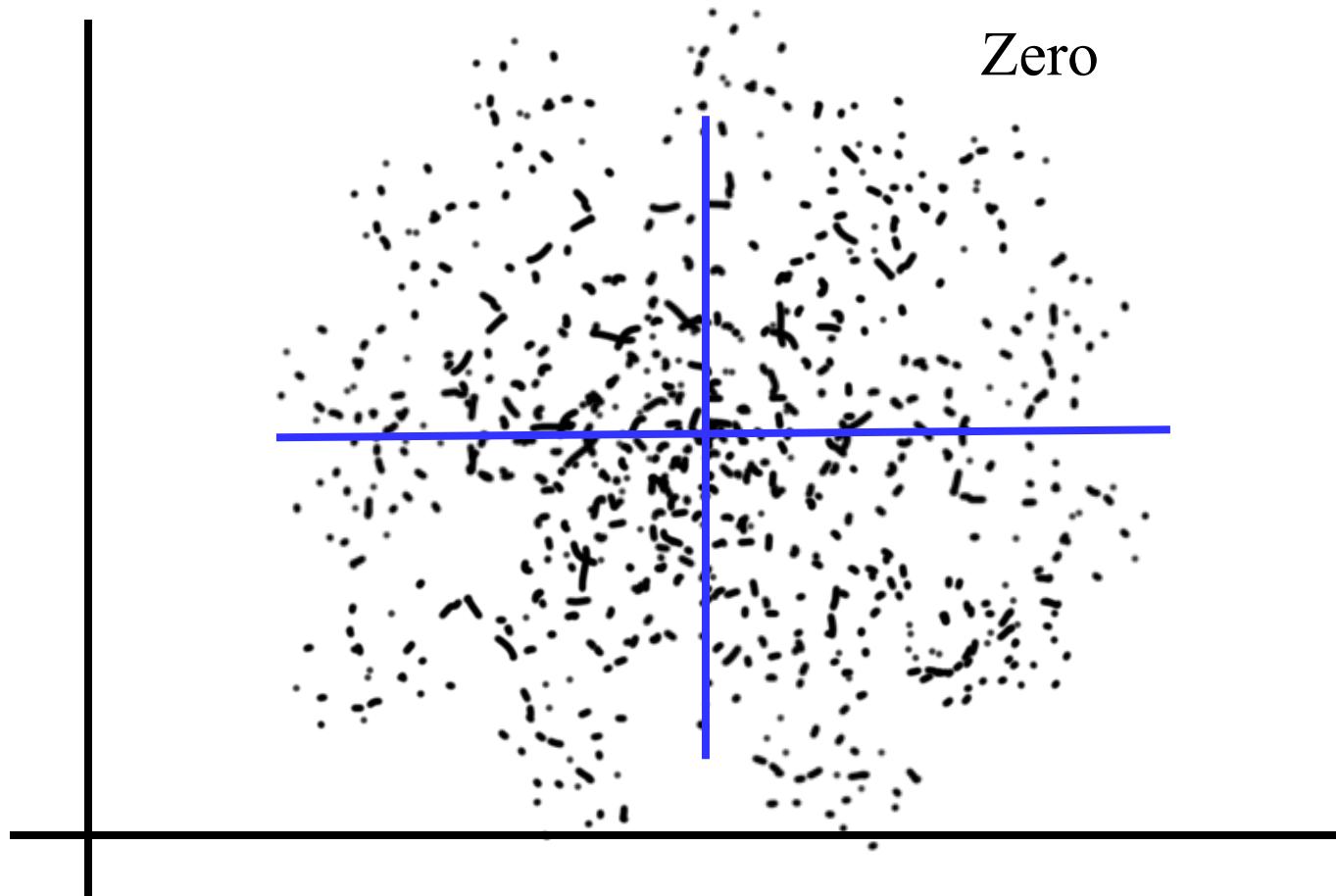
# Covariance

Is the Covariance: (a) positive, (b) negative, (c) zero



# Covariance

Is the Covariance: (a) positive, (b) negative, (c) zero



# Independence and Covariance

- $X$  and  $Y$  are random variables with PMF:

$\backslash$	$X$	-1	0	1	$p_Y(y)$
$Y$					
0		1/3	0	1/3	2/3
1		0	1/3	0	1/3
$p_X(x)$	1/3	1/3	1/3		1

$$Y = \begin{cases} 0 & \text{if } X \neq 0 \\ 1 & \text{otherwise} \end{cases}$$

- $E[X] = -1(1/3) + 0(1/3) + 1(1/3) = 0$
- $E[Y] = 0(2/3) + 1(1/3) = 1/3$
- Since  $XY = 0$ ,  $E[XY] = 0$
- $\text{Cov}(X, Y) = E[XY] - E[X]E[Y] = 0 - 0 = 0$
- But,  $X$  and  $Y$  are clearly dependent!

# Properties of Covariance

- Say  $X$  and  $Y$  are arbitrary random variables
  - $\text{Cov}(X, Y) = \text{Cov}(Y, X)$
  - $\text{Cov}(X, X) = E[X^2] - E[X]E[X] = \text{Var}(X)$
  - $\text{Cov}(aX + b, Y) = a\text{Cov}(X, Y)$
- Covariance of sums of random variables
  - $X_1, X_2, \dots, X_n$  and  $Y_1, Y_2, \dots, Y_m$  are random variables
  - $\text{Cov}\left(\sum_{i=1}^n X_i, \sum_{j=1}^m Y_j\right) = \sum_{i=1}^n \sum_{j=1}^m \text{Cov}(X_i, Y_j)$

# Correlation

# What is Wrong With This?

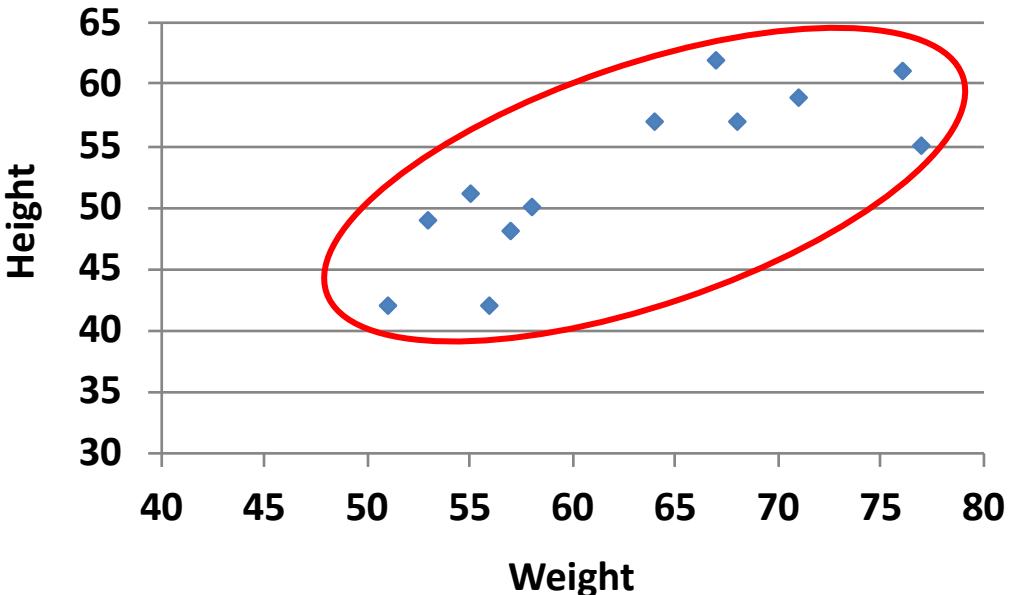
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$$\begin{aligned}E[W] &= 62.75 \\E[H] &= 52.75\end{aligned}$$

$$\begin{aligned}E[W^*H] &= 3355.83\end{aligned}$$



$$\begin{aligned}\text{Cov}(W, H) &= E[W^*H] - E[W]E[H] \\&= 3355.83 - (62.75)(52.75) \\&= 45.77\end{aligned}$$

The screenshot shows a web browser window with the following details:

- Title Bar:** Chris Piech
- Address Bar:** Secure [https://en.wikipedia.org/wiki/Cauchy-Schwarz\\_inequality](https://en.wikipedia.org/wiki/Cauchy-Schwarz_inequality)
- User Status:** Not logged in, Talk, Contributions, Create account, Log in
- Page Header:** Wikipedia, The Free Encyclopedia
- Page Title:** Cauchy–Schwarz inequality
- Section:** Article (selected), Talk, Read, Edit, View history, Search Wikipedia
- Text Summary:** From Wikipedia, the free encyclopedia
- Text Content:** In mathematics, the Cauchy–Schwarz inequality, also known as the Cauchy–Bunyakovsky–Schwarz inequality, is a useful inequality encountered in many different settings, such as linear algebra, analysis, probability theory, vector algebra and other areas. It is considered to be one of the most important inequalities in all of mathematics.<sup>[1]</sup> It has a number of generalizations, among them Hölder's inequality. The inequality for sums was published by Augustin-Louis Cauchy (1821), while the corresponding inequality for integrals was first proved by Viktor Bunyakovsky (1859). The modern proof of the integral inequality was given by Hermann Amandus Schwarz (1888).<sup>[1]</sup>
- Table of Contents:**
  - 1 Statement of the inequality
  - 2 Proofs
    - 2.1 First proof
    - 2.2 Second proof
    - 2.3 More proofs
  - 3 Special cases
    - 3.1  $\mathbb{R}^2$  (ordinary two-dimensional space)
    - 3.2  $\mathbb{R}^n$  ( $n$ -dimensional Euclidean space)
    - 3.3  $L^2$

$$-\text{Std}(X)\text{Std}(Y) \leq \text{Cov}(X, Y) \leq \text{Std}(X)\text{Std}(Y)$$

# Viva La CorrelatiÓN

- Say X and Y are arbitrary random variables
  - Correlation of X and Y, denoted  $\rho(X, Y)$ :
$$\rho(X, Y) = \frac{\text{Cov}(X, Y)}{\sqrt{\text{Var}(X)\text{Var}(Y)}}$$
  - Note:  $-1 \leq \rho(X, Y) \leq 1$
  - Correlation measures linearity between X and Y
  - $\rho(X, Y) = 1 \Rightarrow Y = aX + b$  where  $a = \sigma_y/\sigma_x$
  - $\rho(X, Y) = -1 \Rightarrow Y = aX + b$  where  $a = -\sigma_y/\sigma_x$
  - $\rho(X, Y) = 0 \Rightarrow$  absence of linear relationship
    - But, X and Y can still be related in some other way!
  - If  $\rho(X, Y) = 0$ , we say X and Y are “uncorrelated”
    - Note: Independence implies uncorrelated, but not vice versa!

# Viva La Correlatióñ

- Say X and Y are arbitrary random variables
  - Correlation of X and Y, denoted  $\rho(X, Y)$ :

$$\rho(X, Y) = \frac{\text{Cov}(X, Y)}{\sqrt{\text{Var}(X)\text{Var}(Y)}}$$

- Say  $Y = cX$ . Correlation should be 1.

**AutoSave** OFF **Share**

**Home** **Insert** **Page Layout** **Formulas** **Data** **Conditional Formatting** **Format as Table** **Cell Styles**

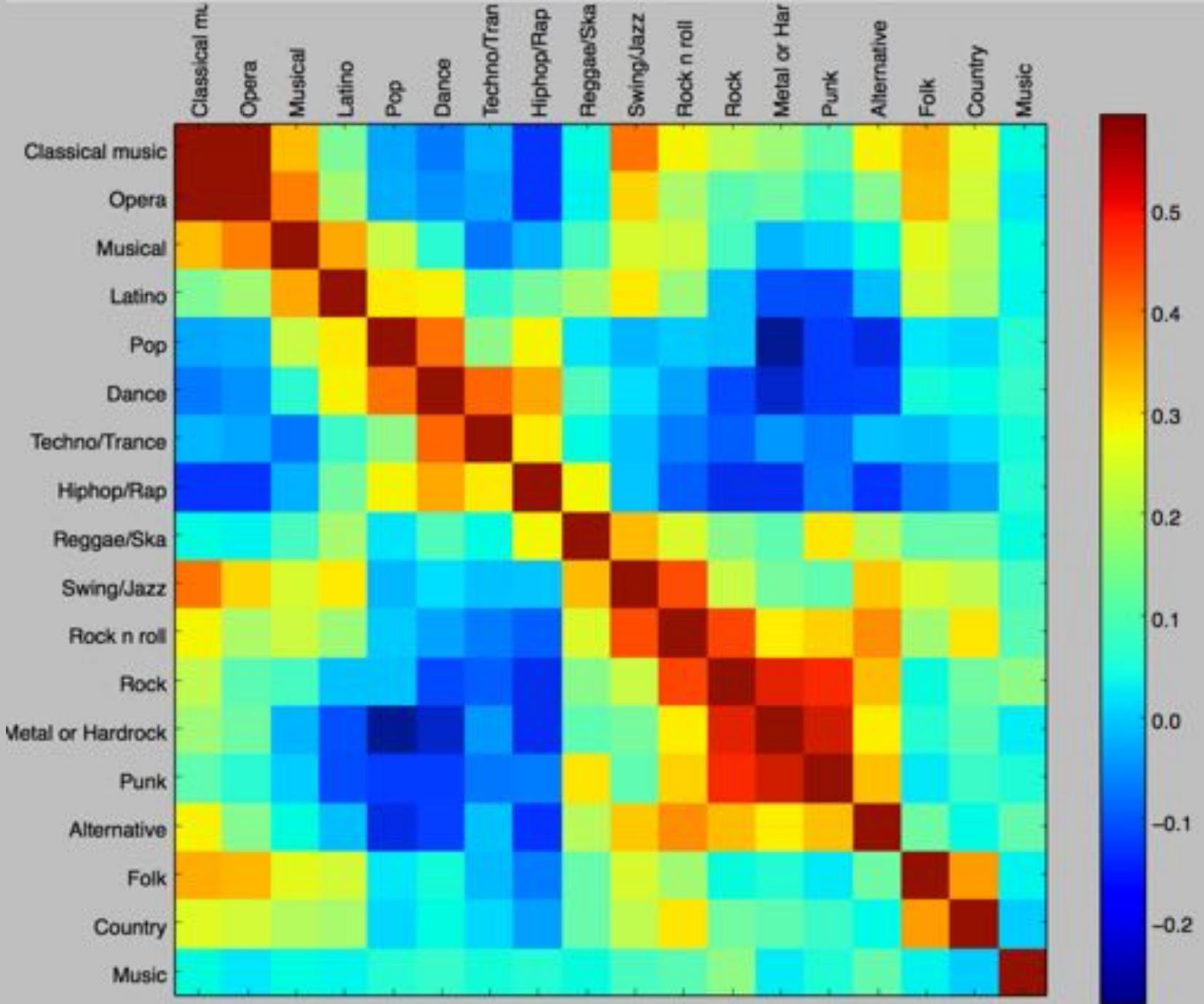
**Clipboard** **Font** **Alignment** **Number** **Cells** **Editing**

C15 **A** **B** **C** **D** **E** **F** **G** **H** **I** **J** **K** **L** **M**

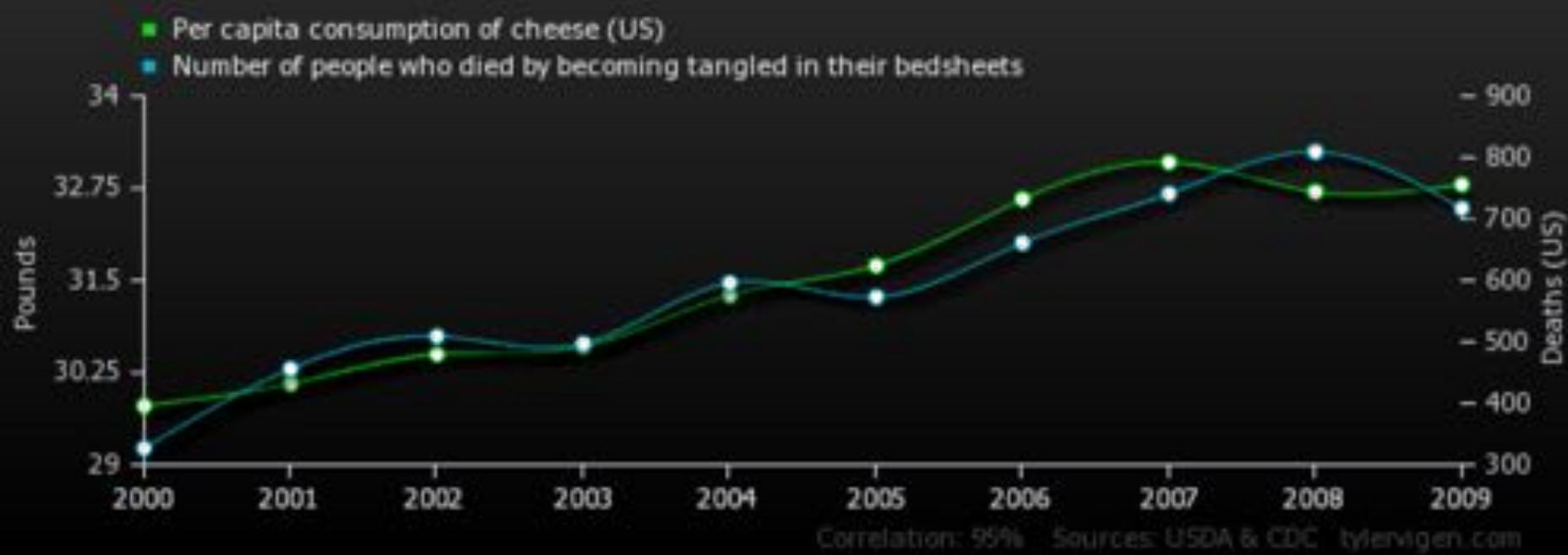
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2	5	2	1	2	2	1	5	5	5	3	3	5	5
3	4	2	1	1	1	2	4	3	3	2	3	3	5
4	5	2	2	3	4	5	3	3	2	3	3	3	5
5	5	2	1	1	1	1	2	2	2	2	2	2	2
6	5	4	3	2	4	3	3	3	3	3	5	3	3
7	5	2	3	2	3	2	2	2	2	2	2	2	5
8	5	5	3	1	2	2	2	2	2	2	5	3	3
9	5	3	2	1	2	2	2	2	2	2	4	5	5
10	5	3	1	1	2	2	2	4	3	3	3	5	5
11	5	2	5	2	2	2	5	3	3	3	3	3	5
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music

Ready



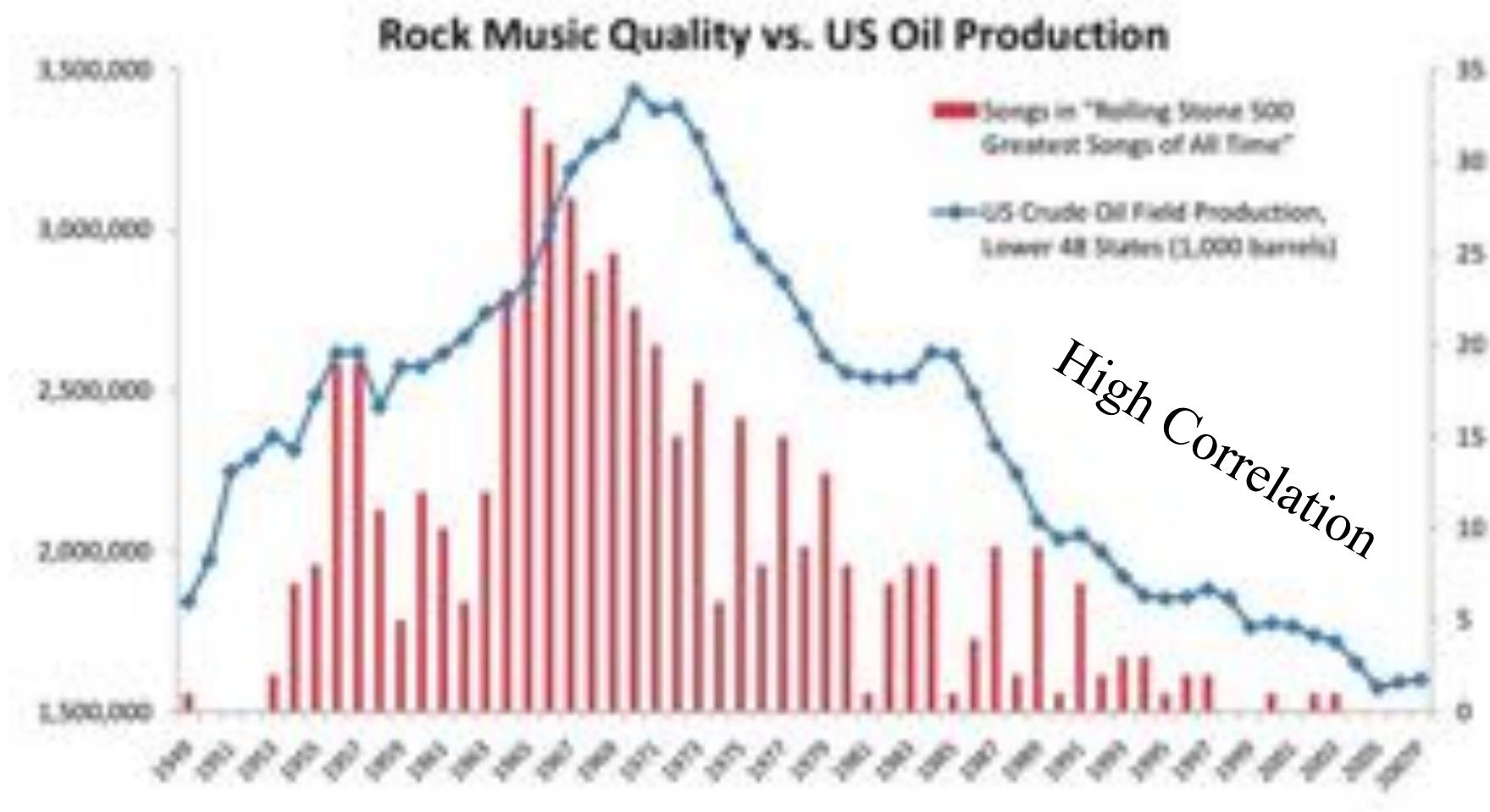
# Tell your friends!



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Per capita consumption of cheese (US) Pounds (USDA)	29.8	30.1	30.5	30.6	31.3	31.7	32.6	33.1	32.7	32.8
Number of people who died by becoming tangled in their bedsheets Deaths (US) (CDC)	327	456	509	497	596	573	661	741	809	717

Correlation: 0.947091

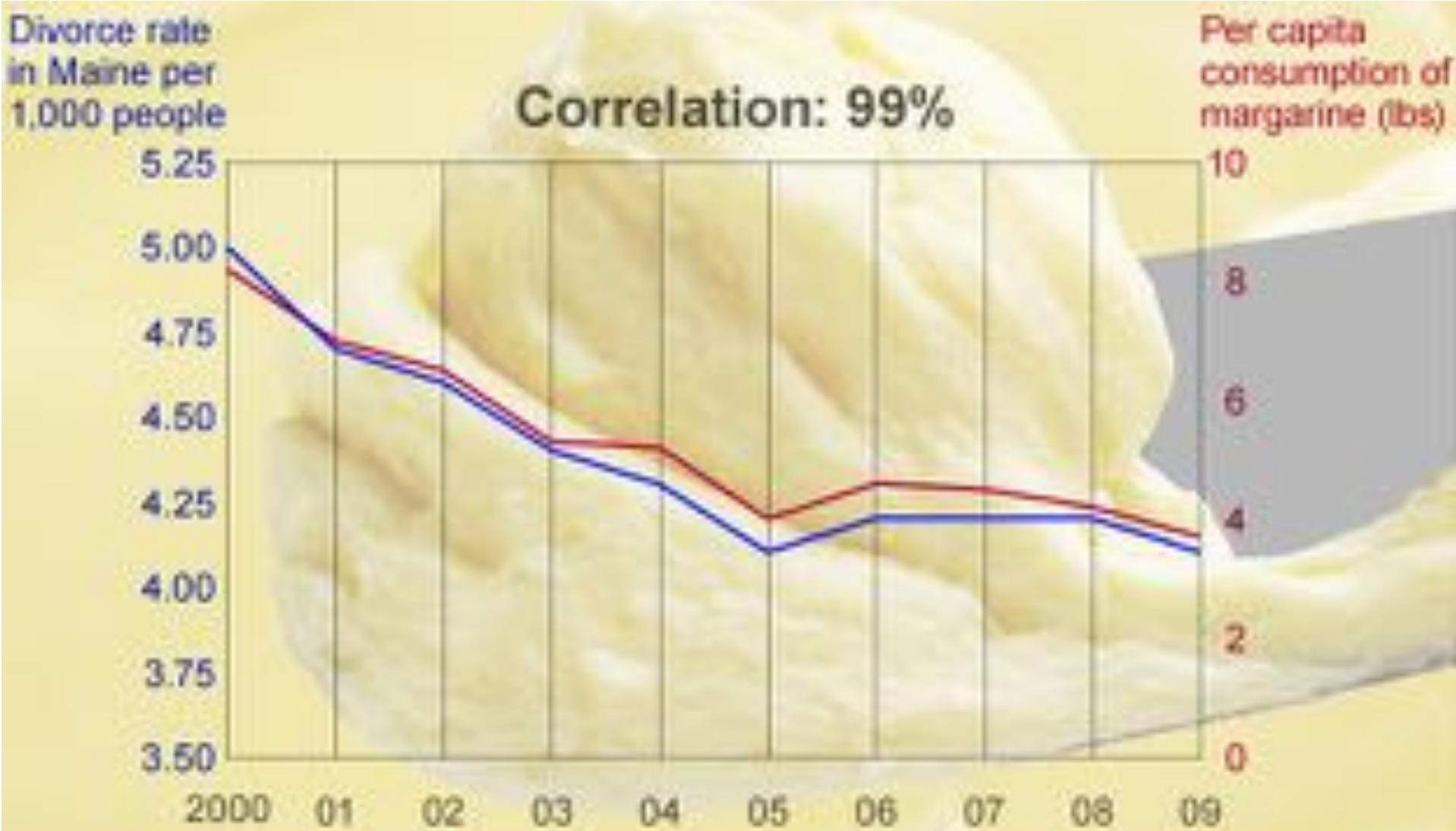
# Rock Music Vs Oil?



Hubbert Peak Theory

<http://www.aei.org/publication/blog/>

# Divorce Vs Butter?



Source: US Census, USDA, tylervigen.com

SPL

Que te vayas bien