You code to build models

You build models to make decisons

R for Data Science

Author: LDG

Everybody says coding is valuable

Salaries (and framing!) seem to provide supporting evidence

National Salary Trend from Indeed.com

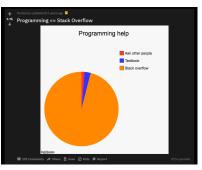


But on the other hand...

Wisdom of Crowds

... code can just be copy-pasted from Stack Overflow





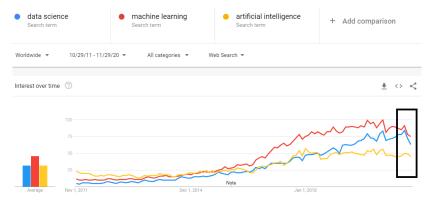
Technological advancements

```
...and complex procedures can be done in a single line of code...¹
nn <- neuralnet(
   Species == "setosa" ~ Petal.Length + Petal.Width,
   data = iris,
   linear.output = FALSE)</pre>
```

¹https://www.rdocumentation.org/packages/neuralnet/versions/1.44.2/topics/neuralnet

zero-profit condition

- ...so if there were wage premiums simply because few people knew how to code...
- \dots over time those premiums should dissipate (especially if low-level programming can be done by Als)

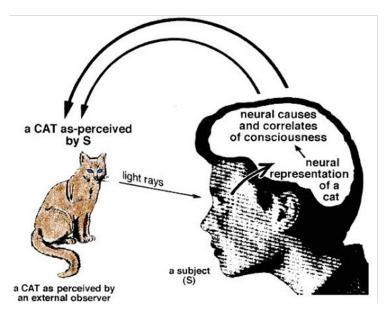


People don't value information

They value **stories** – or more generally, **models** that **summarize** and **compress** information

RESEARCH ARTICLE Using narratives and storytelling to communicate science with nonexpert audiences Michael F. Dahlstrom PNAS September 16, 2014 111 (Supplement 4) 13614-13620; first published September 15, 2014; https://doi.org/10.1073/pnas.1320645111 Edited by Dietram A. Scheufele, University of Wisconsin-Madison, WI, and accepted by the Editorial Board April 7, 2014 (received for review November 1, 2013) Article Info & Metrics PDF Abstract Although storytelling often has negative connotations within science, narrative formats of communication should not be disregarded when communicating science to nonexpert audiences. Narratives offer increased comprehension, interest, and engagement Nonexperts get most of their science information from mass media content, which is itself already biased toward narrative formats. Narratives are also intrinsically persuasive, which offers science communicators tactics for persuading otherwise resistant audiences, although such use also raises ethical considerations. Future intersections of narrative research with ongoing discussions in science communication are introduced.

Humans are pattern seekers



Humans are pattern seekers

'Virgin Mary' toast fetches \$28,000

A decade-old toasted cheese sandwich said to bear an image of the Virgin Mary has sold on the eBay auction website for \$28,000.

An internet casino confirmed it had purchased the sandwich, saying it had become a "part of pop culture".

Goldenpalace.com says it will take the sandwich on world tour before selling it and donating the money to charity.



The toast is not intended for consumption

Diane Duyser, from Florida, says the sandwich has never gone mouldy since she made it 10 years ago.

Modeling = storytelling (with data)

People often say more information is better

But models go in the opposite direction: **throw out** information to **gain** information

For example, the estimator of the population mean:

$$E[X] = \frac{1}{n} \sum_{i=1}^{n} x_i$$

Take n data points and **compress** them into one data point (the sample mean \bar{x})

Ditto linear regression, logistic regression, neural nets, etc.

You code to build models

Code itself is not valuable – nobody pays for Stack Overflow answers

What's valuable is what code creates

An app, a website - or to the data scientist, a model

A model of what?

- ▶ a model that **predicts** (e.g., "what will people buy?")
- ▶ a model that **infers** (e.g., "why will people buy it?")

You build models to make decisions

And even then the model is only so valuable!

Artificial Intelligence: The Ambiguous Labor Market Impact of Automating Prediction

```
Joshua S. Gans
Avi Goldfarb

JOURNAL OF ECONOMIC PERSPECTIVES
VOL. 33, NO. 2, SPRING 2019
(pp. 31-50)
```

Aiay Agrawal

"Prediction is useful because it is an input into decision-making. Prediction has no value in the absence of a decision."

- "what will people buy?"
 ⇒ decide what to make
- "why will people buy it?" decide how to price it (or how to market it, or ...)

Our focus

So we are here to introduce model building with R

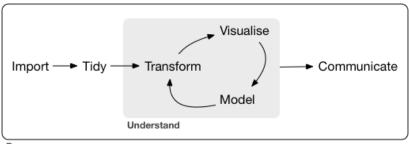
Focus is not on "Stack Overflow questions" (i.e., nuts and bolts stuff you can get from the internet)

Focus on the tidyverse packages:²

- transforming and summarizing (dplyr)
- visualizing (ggplot2)
- modeling (base R, broom, modelr)
- reproducing (RMarkdown)

²https://www.tidyverse.org/

The tidyverse



Program

Why R?

Programming languages, like spoken languages, emerge to solve communication problems

R emerged from S (Bell Labs) to make statistical programming easier³

But unlike spoken languages, programming languages have evolved to become **complements** rather than **substitutes**

The market for programming languages is **not zero-sum**

So why do people learn different languages?

path dependence: people randomly exposed to one language or another (class, friend, whatever) and anchor in it because of a) high fixed costs to learning a language and b) strong network effects of mastering one language

public goods problem: who would pay the substantial cost of developing, distributing and coordinating users around a **free**, one-ring-to-rule-them-all language? (governments historically solved this problem with spoken languages – force people to speak one language or else!)

³https://en.wikipedia.org/wiki/R_(programming_language)

R vs and Python

R package library(reticulate) was designed to make it **easier** (not harder!) to use another language inside R...

... especially in interactive notebooks – which is what we will use

```
13
14 * ```{python}
import pandas
16 flights = pandas.read_csv("flights.csv")
17 flights = flights[flights['dest'] == "ORD"]
18 flights = flights[['carrier', 'dep_delay', 'arr_delay']]
19 flights = flights.dropna()
20
```
21
22 * ```{r, fig.width=7, fig.height=3}
23 library(ggplot2)
24 ggplot(py$flights, aes(carrier, arr_delay)) + geom_point() + geom_jitter()
25
```
```