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To visually represent the direction of causality between variables, use arrows. For example, if x causes y, we draw an arrow from x to y. The ways in which two variables may have strong correlation are:

- I. Simple Causality (x) (y)
- II. Reverse Causality (x) (y)
- III. Mutual Causality (x)
- IV. Hidden/Confounding Variable

V. Complete Accident/Coincidence (x)

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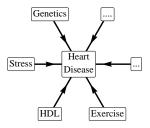
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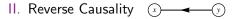
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Many factors have been determined that increase the chance for heart disease.



II. Reverse Causality (x)--(v)

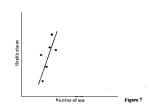
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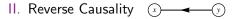


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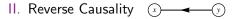
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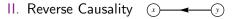
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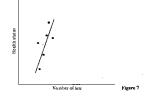


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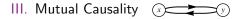
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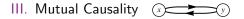
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Example. Human birth rate and stork population:

Storks bring babies.



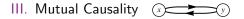
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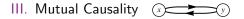


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These are mutually reinforcing. This is an example of mutual causality.

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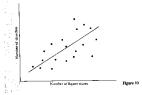
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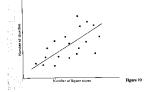
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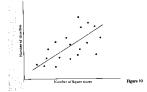
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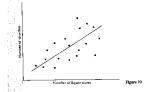
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In this instance, there is a confounding variable:



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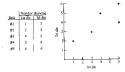
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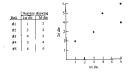
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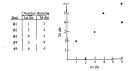
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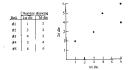
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► The chance of this occurring decreases as more observations are taken.

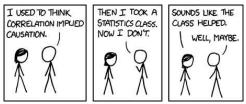


Correlation does not imply causation!

Groupwork: Justify the correlations between the following variables:

- ▶ As ice cream sales increase, the rate of drowning deaths increase.
- ▶ The more firemen fighting the fire, the larger the fire grows.
- ▶ With fewer pirates on the open seas, global warming has increased.
- ▶ The more people in my Facebook group, the faster it grows.

What is the joke below?



Source: http://xkcd.com/552/