4. Tests for Multicollinearity

Tests for Multicollinearity

Multicollinearity is a concern for multiple regression, not for its existence, but for its degree.

For severe degree of multicollinearity, the regression model

estimates of the coefficients become unstable and

the standard errors for the coefficients can get wildly inflated.

Tests for Multicollinearity

We can use the vif command after the regression to check for multicollinearity.

vif stands for variance inflation factor.

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```
. vif

    Variable |       VIF       1/VIF
-------------+----------------------
      female |      1.00     0.997182
        read |      1.00     0.997182
-------------+----------------------
    Mean VIF |      1.00
```