

## BOX 10.4 How to Calculate Lambda

1. Using the row marginals, identify the modal category of the dependent variable and calculate the number of errors without knowing the independent variable by adding up the number of cases that are *not* in the modal category.
2. Within each of the columns in the body of the table, find the modal category and add up the number of cases that are not in it. The number of errors with knowing the independent variable is the sum of errors across each of the columns.
3. Calculate lambda by getting the difference between the number of errors without and errors with and then dividing by the errors without:  $\lambda = (\text{errors without} - \text{errors with}) / \text{errors without}$ . Interpret lambda as a PRE measure: By knowing the independent variable, we make that proportion fewer errors in predicting the dependent variable.