Three-Level Random Effects Models

- Topics:
  - Examples of three-level designs of time, persons, and groups
  - Partitioning variation across three levels in clustered longitudinal data (occasions within persons within groups)
  - Unconditional (time only) model specification
  - Conditional (other predictors) model specification
  - Partitioning variation across three levels in intensive longitudinal data (occasions within days within persons)

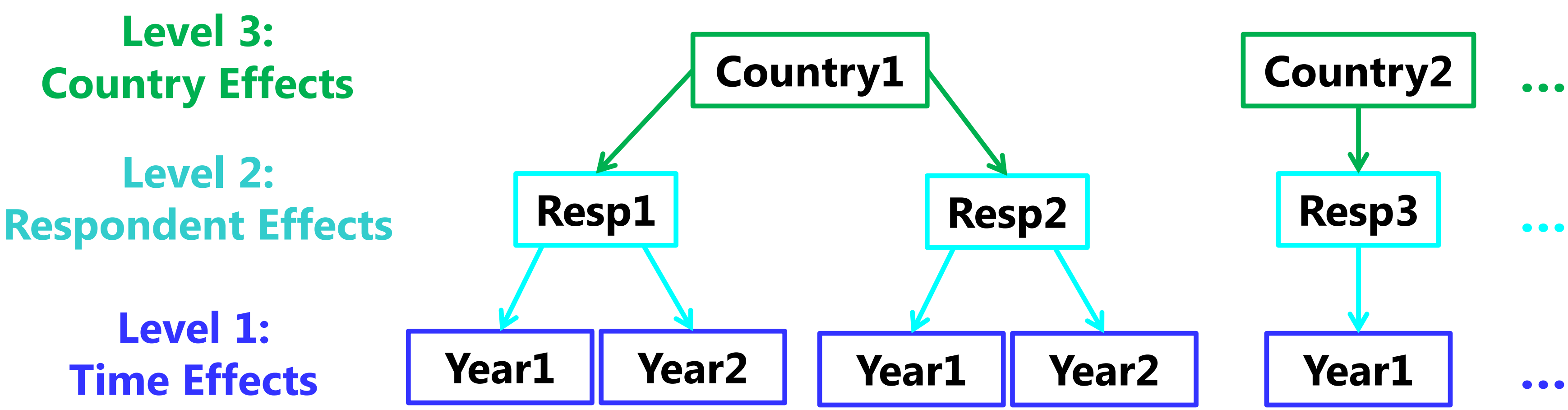
What determines the number of levels?

- **Answer: the model for the outcome variance ONLY**
- How many dimensions of sampling in the outcome?
  - Longitudinal, one person per family? → 2-level model
  - Longitudinal, 2+ people per family? → 3-level model
  - Longitudinal, 2+ people per family, many cities? → 4-level model
  - Sampling dimensions may also be crossed instead of nested, or may be modeled with fixed effects if the # units is small

- Need at least one pile of variance per dimension (for 3 levels, that's 2 sets of random effects and a residual)
  - Include whatever predictors you want for each level, but keep in mind that the usefulness of your predictors will be constrained by how much Y variance exists in its relevant sampling dimension

Kinds of 3-Level Designs: Clustered Longitudinal

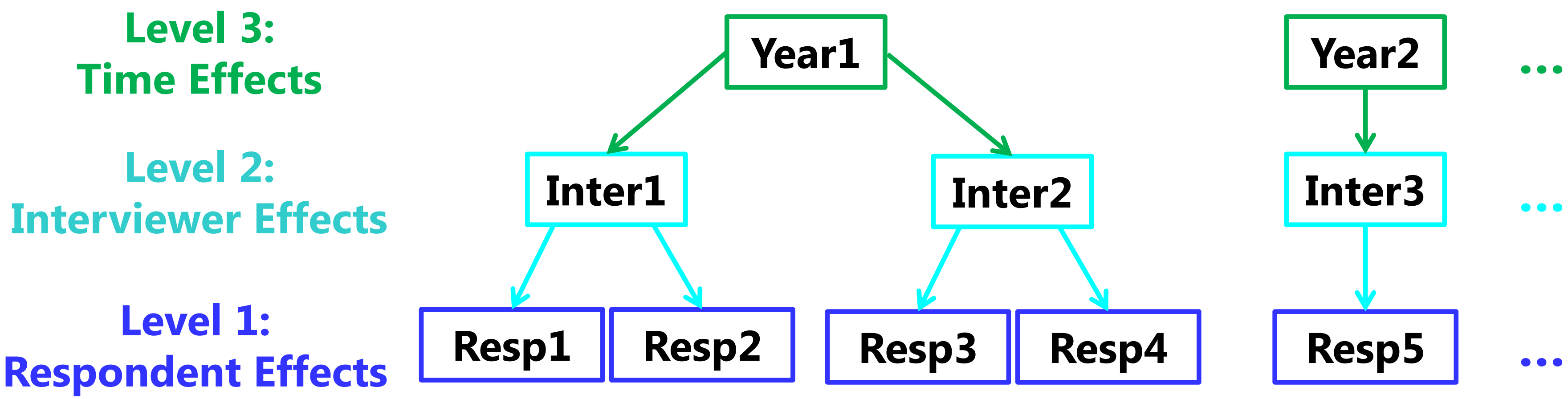
- First example: Predicting **time-specific respondent outcomes** for people nested in countries, collected over several years (all same people and same countries are measured over time)



- Country predictors can be included at level 3 only (no random effects)
- Person predictors should be included at levels 2 and 3 (+random over 3)
- What about effects of time-varying predictors?
  - For People: effects should be included at all 3 levels (+random over 2 and 3)
  - For Countries: effects are only possible at levels 1 and 3 (+random over 3)

Other Examples of 3-Level Designs

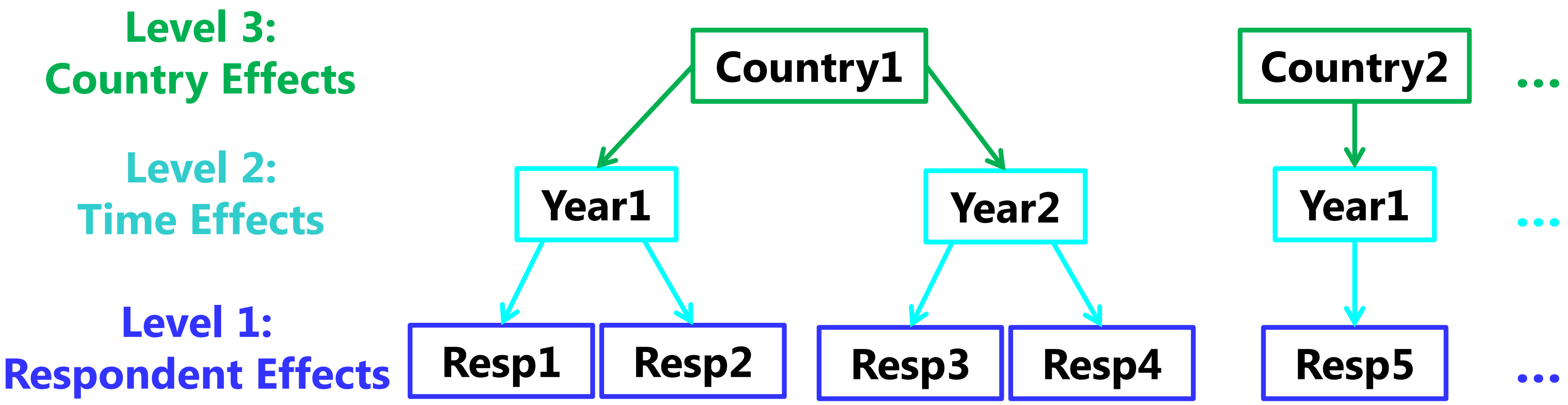
- The sampling design for the outcome (not the predictors) dictates what your levels will be, **so time may not always be level 1**
- Example: Predicting answer compliance in respondents nested in interviewers, collected over several years (<u>all different people</u>)



- Based on the sampling of time, time may be modeled…
  - As fixed effects in the model for the means → 2-level model instead
    - Best to use dummy codes for time if few occasions OR no time-level predictors of interest
  - As a random effect in the model for the variance → 3-level model
    - Then differences in compliance rates over time can be predicted by time-level predictors

Other Examples of 3-Level Designs

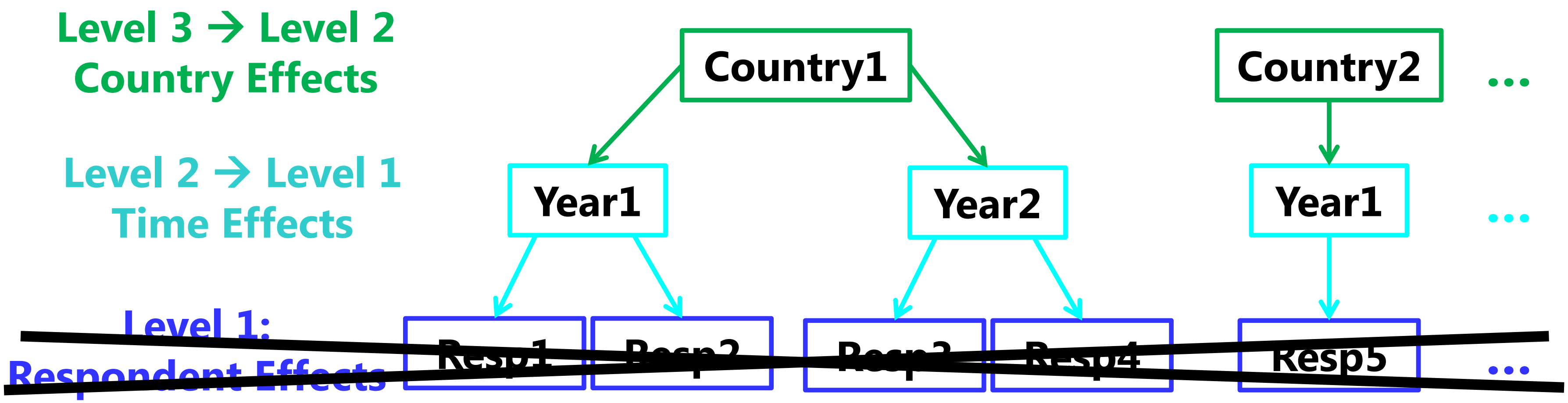
- Another example: Predicting **time-specific respondent outcomes** for people nested in countries, collected over several years (all different people, but the same countries measured over time)



- Before including any fixed effects of time, country and time are actually crossed, not nested as shown here
  - Are nested after controlling for which occasion is which via fixed effects (using dummy codes per mean or a time trend that describes the means)
  - Time is still a level because not all countries change the same way

3-Level Designs: Predictors vs. Outcomes

- Same example: What if, instead of respondent outcomes, we wanted to predict **time-varying country outcomes**?



Because the outcome was measured at level 2 (country per time):

- Respondents are no longer a level at all (no outcomes for them)
- So there is nothing for respondent predictors to do, except at higher levels
  - **Time-specific averages** of respondent predictors → time-level outcome variation
  - **Across time, country averages** of respondent predictors → country-level outcome variation

Empty Means, 3-Level Random Intercept Model: Example for Clustered Longitudinal Data

Notation: t = level-1 time, i = level-2 person, j = level-3 group

Level 1: $y_{tij} = \beta_{0ij} + e_{tij}$

Residual = time-specific deviation from **person's** predicted outcome

Level 2: $\beta_{0ij} = \delta_{00j} + U_{0ij}$

Person Random Intercept = person-specific deviation from **group's** predicted outcome

Level 3: $\delta_{00j} = \gamma_{000} + V_{00j}$

Fixed Intercept =grand mean (because no predictors yet)

Group Random Intercept = group-specific deviation from fixed intercept

3 Total Parameters:

Model for the Means (1):

- Fixed Intercept γ_{00}

Model for the Variance (2):

- Level-1 Variance of e_{tij} → σ_e^2
- Level-2 Variance of U_{0ij} → $\tau_{U_0}^2$
- Level-3 Variance of V_{00j} → $\tau_{V_{00}}^2$

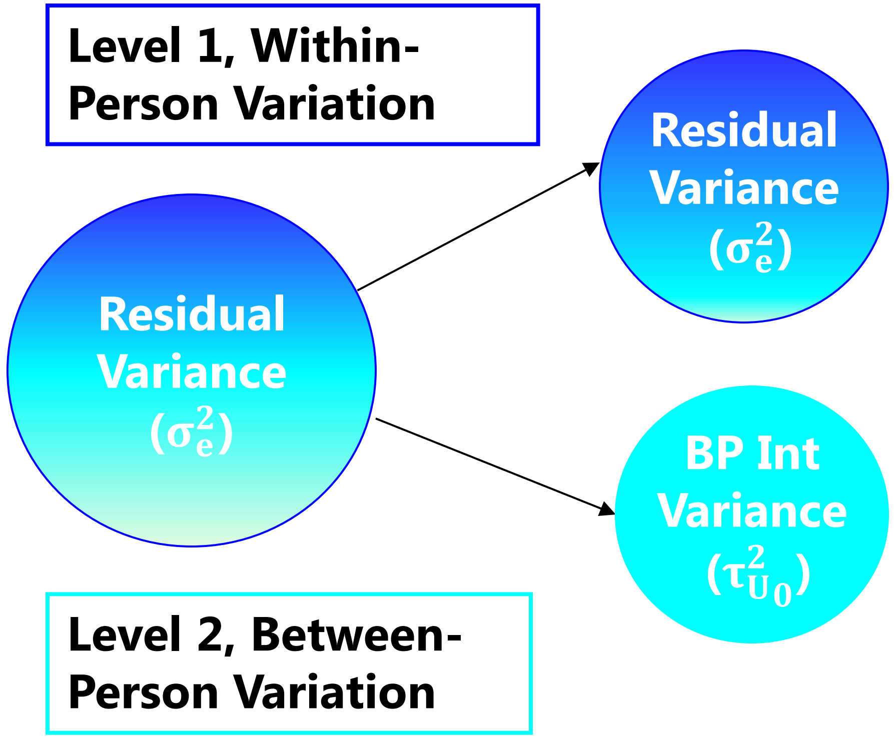
Composite equation:

$y_{tij} = \gamma_{000} + V_{00j} + U_{0ij} + e_{tij}$

Btw: My bad for reusing "V"

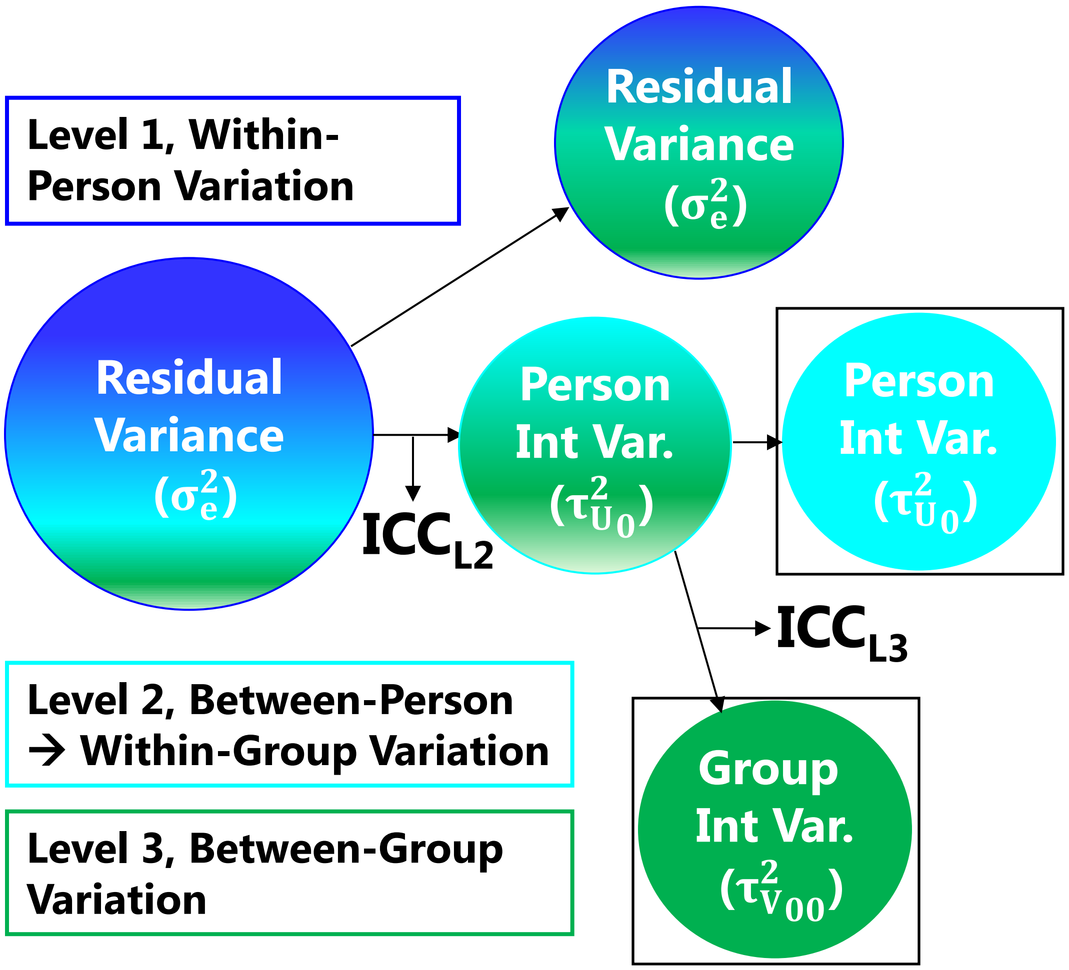
2-Level Random Intercept Model

- Where does each kind of person dependency go? Into a new random effects variance component (or "pile" of variance):
- Let's start with an empty means, random intercept 2-level model for time within person:



3-Level Random Intercept Model

- Now let's see what happens in an empty means, random intercept 3-level model of time within person within groups:



ICCs in a 3-Level Random Intercept Model Example: Time within Person within Group

- **<u>ICC for level 2 (and level 3) relative to level 1:</u>**

- $$\text{ICC}_{\text{L2}} = \frac{\text{Between}-\text{Person}}{\text{Total}} = \frac{\text{L3+L2}}{\text{L3+L2+L1}} = \frac{\boldsymbol{\tau}^2_{\mathbf{V_{00}}} + \boldsymbol{\tau}^2_{\mathbf{U_0}}}{\boldsymbol{\tau}^2_{\mathbf{V_{00}}} + \boldsymbol{\tau}^2_{\mathbf{U_0}} + \boldsymbol{\sigma}^2_{\mathbf{e}}}$$

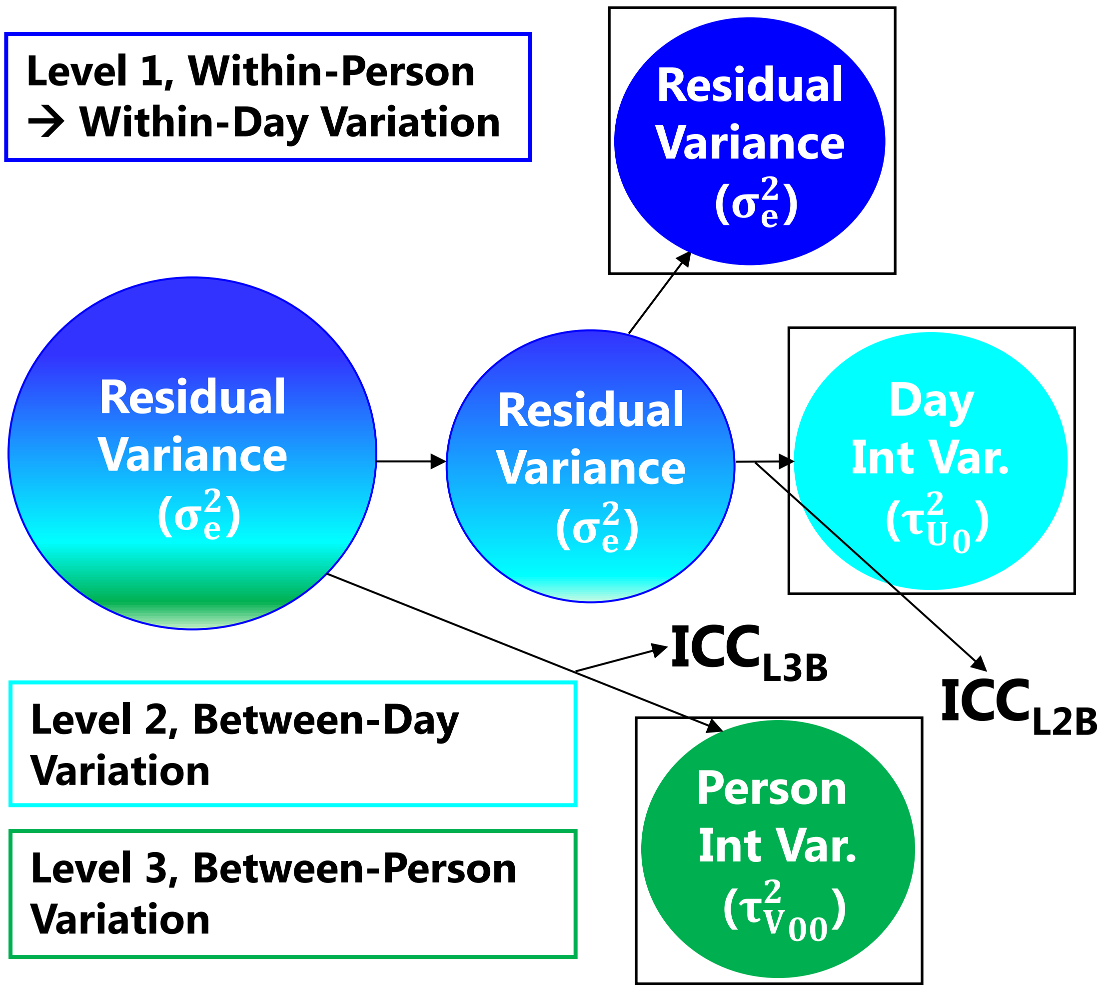
  → This ICC expresses similarity of occasions from same person (and by definition, from the same group) → of the ***total variation in Y***, how much of it is ***between persons, or cross-sectional (not due to time)***?

- **<u>ICC for level 3 relative to level 2 (ignoring level 1):</u>**

- $$\text{ICC}_{\text{L3}} = \frac{\text{Between}-\text{Group}}{\text{Between}-\text{Person}} = \frac{\text{L3}}{\text{L3+L2}} = \frac{\boldsymbol{\tau}^2_{\mathbf{V_{00}}}}{\boldsymbol{\tau}^2_{\mathbf{V_{00}}} + \boldsymbol{\tau}^2_{\mathbf{U_0}}}$$

  → This ICC expresses similarity of persons from same group (ignoring within-person variation over time) → of ***that total between-person variation in Y***, how much of that is actually ***between groups***?

3-Level Model for Intensive Longitudinal Data (occasions, days, persons)



Useful ICC variants for this type of design:

ICC$_{L3B}$ = L3 / total

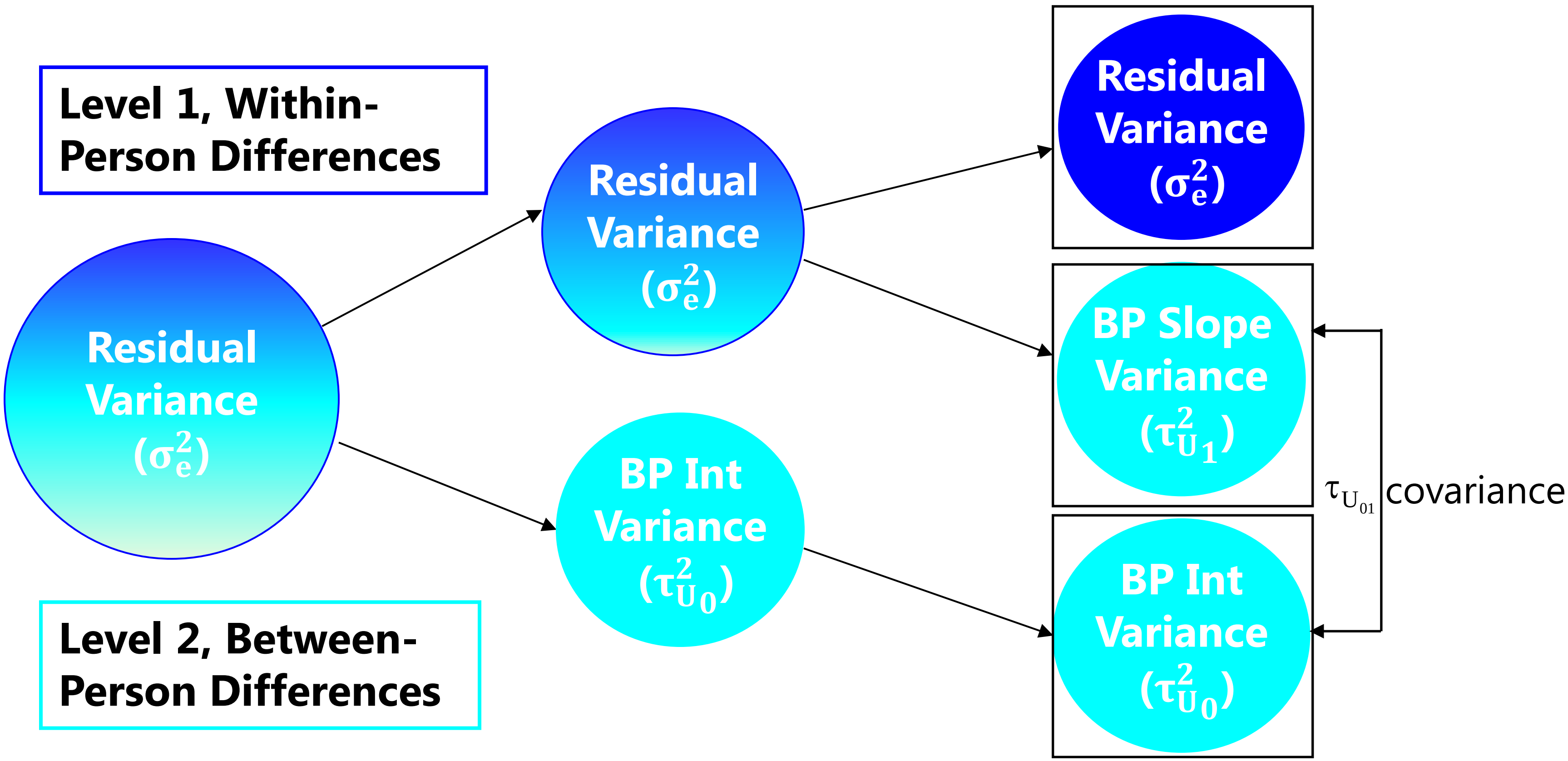
- % Between Persons
- Note: this is what is given by STATA and Mplus as "level-3 ICC"

ICC$_{L2B}$ = L2 / L2 + L1

- Proportion of time-related variance for day
- Tests if occasions on same day are more related than occasions on different days (i.e., is day needed?)

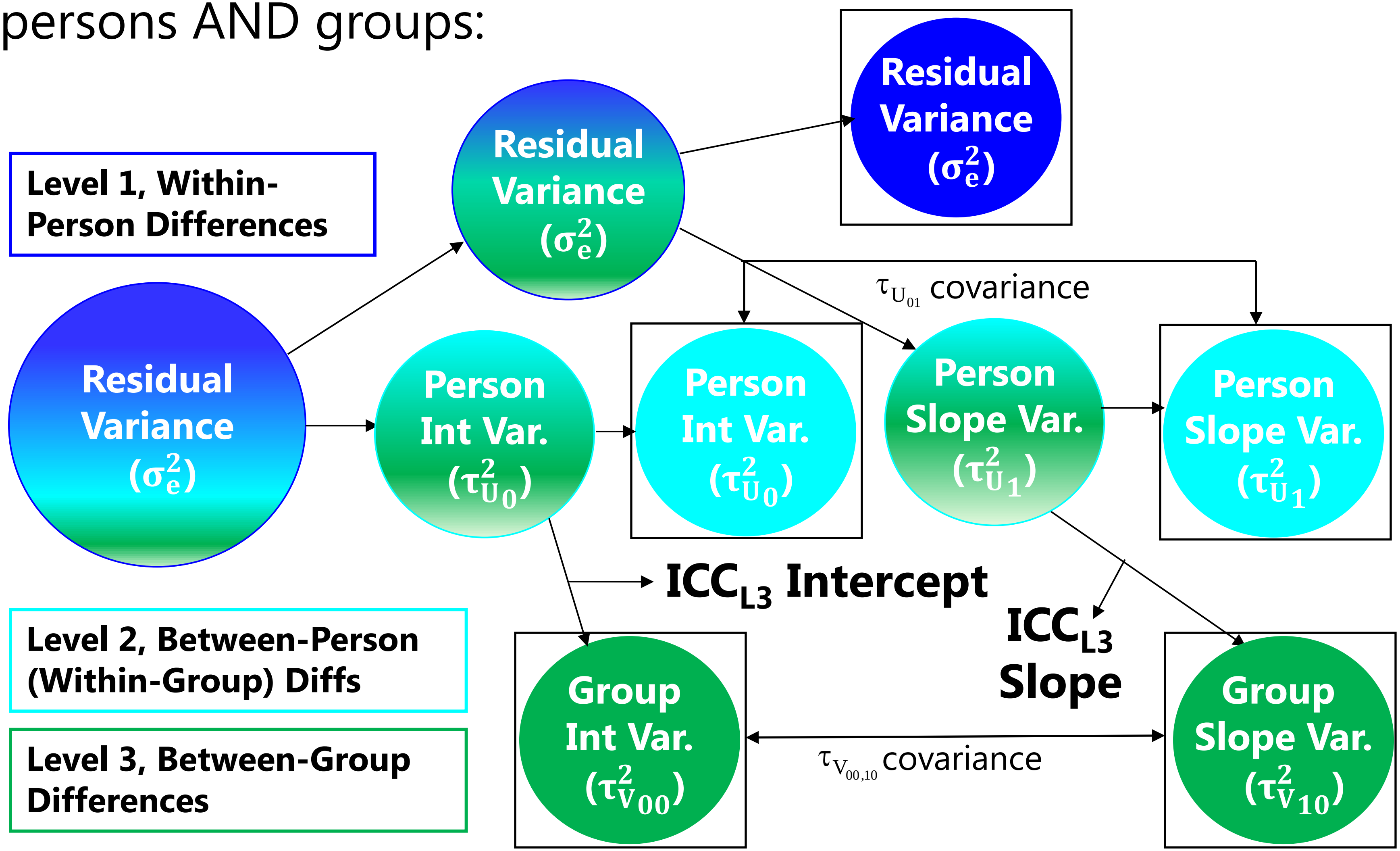
2-Level Random Slope Model

- What about time? After adding fixed effects of time, we can add random effects of time over persons in a 2-level model:



3-Level Random Slope Model

- In a 3-level model, we can have random effects of time over persons AND groups:



3-Level Random Time Slope Model

Notation: t = level-1 time, i = level-2 person, j = level-3 group

Level 1: $y_{tij} = \beta_{0ij} + \beta_{1ij}(Time_{tij}) + e_{tij}$

Residual = time-specific deviation from **person's** predicted growth line (σ_e^2)

Level 2: $\beta_{0ij} = \delta_{00j} + U_{0ij}$

$\beta_{1ij} = \delta_{10j} + U_{1ij}$

Person Random Intercept and Slope = person-specific deviations from **group's** predicted intercept, slope ($\tau_{U_0}^2$, $\tau_{U_1}^2$, $\tau_{U_{01}}$)

Level 3: $\delta_{00j} = \gamma_{000} + V_{00j}$

$\delta_{10j} = \gamma_{100} + V_{10j}$

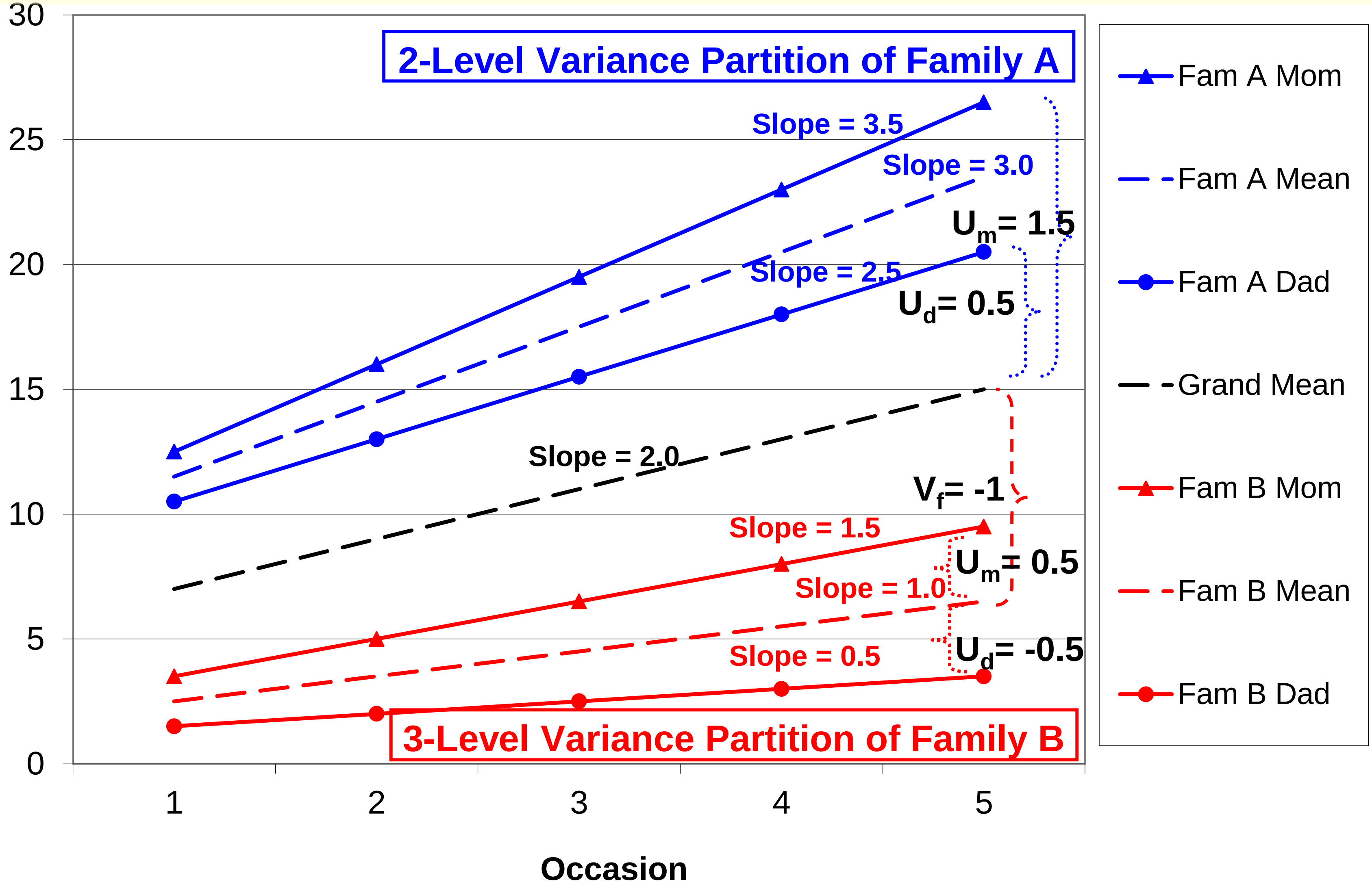
Group Random Intercept and Slope = group-specific deviations from fixed intercept, slope ($\tau_{V_{00}}^2$, $\tau_{V_{10}}^2$, $\tau_{V_{00,10}}$)

Fixed Intercept, Fixed Linear Time Slope

Composite equation (9 parameters):

$$y_{tij} = (\gamma_{000} + V_{00j} + U_{0ij}) + (\gamma_{100} + V_{10j} + U_{1ij})(Time_{tij}) + e_{tij}$$

Random Time Slopes at both Levels 2 AND 3? An example with family as group:



ICCs for Random Intercepts and Slopes

- Once random slopes are included at both level-3 and level-2, ICCs can be computed for the random intercepts and slopes specifically (which would be the level-3 type of ICC)

$$\mathrm{ICC}_{\mathrm{Int}} = \frac{\mathrm{Between-Group}}{\mathrm{Between-Person}} = \frac{\mathrm{L3\ Int}}{\mathrm{L3\ Int} + \mathrm{L2\ Int}} = \frac{\boldsymbol{\tau}^2_{\mathbf{V_{00}}}}{\boldsymbol{\tau}^2_{\mathbf{V_{00}}} + \boldsymbol{\tau}^2_{\mathbf{U_0}}}$$

$$\mathrm{ICC}_{\mathrm{Slope}} = \frac{\mathrm{Between-Group}}{\mathrm{Between-Person}} = \frac{\mathrm{L3\ Slope}}{\mathrm{L3\ Slope} + \mathrm{L2\ Slope}} = \frac{\boldsymbol{\tau}^2_{\mathbf{V_{10}}}}{\boldsymbol{\tau}^2_{\mathbf{V_{10}}} + \boldsymbol{\tau}^2_{\mathbf{U_1}}}$$

- Can be computed for any level-1 slope that is random at both levels (e.g., linear and quadratic time, time-varying predictors)
- Be careful when the model is uneven across levels, though

$$\frac{\text{Random Level 2: int, linear, quad}}{\text{Random Level 3: int, linear}} \rightarrow \frac{\text{Linear is when time} = 0}{\text{Linear is at any occasion}}$$

More on Random Slopes in 3-Level Models

- Any level-1 predictor can have a random effect over level 2, level 3, or over both levels, but I recommend working your way **UP the higher levels** for assessing random effects…
  - e.g., Does the effect of time vary over level-2 persons?
  - If so, does the effect of time vary over level-3 groups, too? → Is there a commonality in how people from the same group change over time?
- … because random effects at level 3 only are possible but unlikely (e.g., means everyone in the group changes the same)

- Level-2 predictors can also have random effects over level 3
  - e.g., Does the effect of a L2 person characteristic vary over L3 groups?
- Level-1, level-2, and level-1 by level-2 cross-level interactions can all have random effects over level 3, too, in theory
  - But tread carefully! The more random effects you have, the more likely you are to have convergence problems ("**G** matrix not positive definite")

Conditional Model Specification

- Remember separating between- and within-person effects? <u>Now there are 3 potential effects for any level-1 predictor!</u>
  - Example in a Clustered Longitudinal Design: Effect of stress on wellbeing, both measured over time within person within families:
  - **Level 1** (Time): During **Times** of more stress, people have lower (time-specific) wellbeing than in times of less stress
  - **Level 2** (Person): **People** in the family who have more stress have lower (person average) wellbeing than people in the family who have less stress
  - **Level 3** (Family): **Families** who have more stress have lower (family average) wellbeing than families who have less stress

- <u>2 potential effects for any level-2 predictor, also</u>
  - Example: Effect of baseline level of person coping skills in same design:
  - **Level 2** (Person): **People** in the family who cope better have better (person average) wellbeing than people in the family who cope worse
  - **Level 3** (Family): **Families** who cope better have better (family average) wellbeing than families who cope worse

Option 1: Separate Total Effects Per Level Using Variable-Based-Centering

- **Level 1 (Time):** *Time-varying stress relative to person mean*
  → $WPstress_{tij} = Stress_{tij} - PersonMeanStress_{ij}$
  → Directly tests if within-person effect ≠ 0?
  → **Total** within-person effect of more stress ***than usual*** ≠ 0?

- **Level 2 (Person):** *Person mean stress relative to family*
  → $WFstress_{ij} = PersonMeanStress_{ij} - FamilyMeanStress_{j}$
  → Directly tests if within-family effect ≠ 0?
  → **Total** effect of more stress ***than other members of one's family*** ≠ 0?

- **Level 3 (Family):** *Family mean stress relative to all families (from constant)*
  → $BFstress_{j} = FamilyMeanStress_{j} - C$
  → Directly tests if between-family effect ≠ 0?
  → **Total** effect of more stress ***than other families*** ≠ 0?

Option 1: Separate Total Effects Per Level Using Variable-Based-Centering

Notation: t = level-1 time, i = level-2 person, j = level-3 group
PM = person mean, FM = family mean, C = centering constant

Level 1: $y_{tij} = \beta_{0ij} + \beta_{1ij}(\text{Time}_{tij}) + \beta_{2ij}(\text{Stress}_{tij} - \text{PMstress}_{ij}) + e_{tij}$

Level 2: $\beta_{0ij} = \delta_{00j} + \delta_{01j}(\text{PMstress}_{ij} - \text{FMstress}_{j}) + U_{0ij}$

$\beta_{1ij} = \delta_{10j} + U_{1ij}$

$\beta_{2ij} = \delta_{20j} + (U_{2ij})$

Level 3: $\delta_{00j} = \gamma_{000} + \gamma_{001}(\text{FMstress}_{j} - C) + V_{00j}$ — **Fixed intercept, Between-family stress main effect**

$\delta_{01j} = \gamma_{010} + (V_{01j})$ — **Within-family stress main effect**

$\delta_{10j} = \gamma_{100} + V_{10j}$ — **Time main effect**

$\delta_{20j} = \gamma_{200} + (V_{20j})$ — **Within-person stress main effect**

Option 2: Contextual Effects Per Level Using Constant-Based-Centering

- **Level 1 (Time):** *Time-varying stress (relative to sample constant)*
  → $TVstress_{tij}$ = $Stress_{tij}$ – C
  → Directly tests if within-person effect ≠ 0?
  → **Total** within-person effect of more stress ***than usual*** ≠ 0?

- **Level 2 (Person):** *Person mean stress (relative to sample constant)*
  → $BPstress_{ij}$ = $PersonMeanStress_{ij}$ – C
  → Directly tests if within-person and within-family effects ≠ ?
  → **Contextual** effect of more stress ***than other members of one's family*** ≠ 0?

- **Level 3 (Family):** *Family mean stress relative to all families (from constant)*
  → $BFstress_{j}$ = $FamilyMeanStress_{j}$ – C
  → Directly tests if within-family and between-family effects ≠ ?
  → **Contextual** effect of more stress ***than other families*** ≠ 0?

Option 2: Contextual Effects Per Level Using Constant-Based-Centering

Notation: t = level-1 time, i = level-2 person, j = level-3 group
PM = person mean, FM = family mean, C = centering constant

Level 1: $y_{tij} = \beta_{0ij} + \beta_{1ij}(Time_{tij}) + \beta_{2ij}(Stress_{tij} - C) + e_{tij}$

Level 2: $\beta_{0ij} = \delta_{00j} + \delta_{01j}(PMstress_{ij} - C) + U_{0ij}$

$\beta_{1ij} = \delta_{10j} + U_{1ij}$

$\beta_{2ij} = \delta_{20j} + (U_{2ij})$

Level 3: $\delta_{00j} = \gamma_{000} + \gamma_{001}(FMstress_{j} - C) + V_{00j}$

$\delta_{01j} = \gamma_{010} + (V_{01j})$

$\delta_{10j} = \gamma_{100} + V_{10j}$

$\delta_{20j} = \gamma_{200} + (V_{20j})$

Fixed intercept, Contextual family stress main effect

Contextual within-family stress main effect

Time main effect

Within-person stress main effect

What does it mean to omit higher-level effects under each centering method?

- **Variable-Based-Centering**: Omitting a fixed effect assumes that the effect at that level <u>does not exist</u> (= 0)
  - Remove L3 effect? Assume L3 Between-Family effect = 0
    - *L1 effect = Within-Person effect, L2 effect = Within-Family effect*
  - Then remove L2 effect? Assume L2 Within-Family effect = 0
    - *L1 effect = Within-Person effect*

- **Constant-Based-Centering**: Omitting a fixed effect means the effect at that level is <u>equivalent to</u> the effect at the level below
  - Remove L3 effect? Assume L3 Between-Family = L2 Within-Family effect
    - *L1 effect = Within-Person effect, L2 effect = 'smushed' WF and BF effects*
  - Then remove L2 effect? Assume L2 Between-Person effect = L1 effect
    - *L1 'smushed' = Within-Person, Within-Family, and Between-Family effects*

Interactions belong at each level, too…

- Example: Is the effect of stress on wellbeing moderated by time-invariant person coping? Using variable-based-centering:
- **Stress Effects**
  - **Level 1 (Time):** $WPstress_{tij}$ = $Stress_{tij}$ – $PersonMeanStress_{ij}$
  - **Level 2 (Person):** $WFstress_{ij}$ = $PersonMeanStress_{ij}$ – $FamilyMeanStress_{j}$
  - **Level 3 (Family):** $BFstress_{j}$ = $FamilyMeanStress_{j}$ – C
- **Coping Effects**
  - **Level 2 (Person):** $WFcope_{ij}$ = $Cope_{ij}$ – $FamilyMeanCope_{j}$
  - **Level 3 (Family):** $BFcope_{j}$ = $FamilyMeanCope_{j}$ – C
- **Interaction Effects**
- With level-1 stress: $WPstress_{tij}$ * $WFcope_{ij}$, $WPstress_{tij}$ * $BFcope_{j}$
- With level-2 stress: $WFstress_{ij}$ * $WFcope_{ij}$, ($WFstress_{ij}$ * $BFcope_{j}$)
- With level-3 stress: $BFstress_{j}$ * $BFcope_{j}$, ($BFstress_{j}$ * $WFcope_{ij}$)

Interactions belong at each level, too…

Notation: t = level-1 time, i = level-2 person, j = level-3 group
PM = person mean, FM = family mean, C = centering constant

Level 1: $y_{tij} = \beta_{0ij} + \beta_{1ij}(Time_{tij}) + \beta_{2ij}(Stress_{tij} - PMstress_{ij}) + e_{tij}$

Level 2:

$$\beta_{0ij} = \delta_{00j} + \delta_{01j}(PMstress_{ij} - FMstress_j) + \delta_{02j}(Cope_{ij} - FMcope_j) + \delta_{03j}(PMstress_{ij} - FMstress_j)(Cope_{ij} - FMcope_j) + U_{0ij}$$

$$\beta_{1ij} = \delta_{10j} + U_{1ij}$$

$$\beta_{2ij} = \delta_{20j} + \delta_{21j}(Cope_{ij} - FMcope_j) + (U_{2ij})$$

Level 3:

$$\delta_{00j} = \gamma_{000} + \gamma_{001}(FMstress_j - C) + \gamma_{002}(FMcope_j - C) + \gamma_{003}(FMstress_j - C)(FMcope_j - C) + V_{00j}$$

$$\delta_{01j} = \gamma_{010} + (V_{01j}) \qquad \delta_{02j} = \gamma_{020} + (V_{02j}) \qquad \delta_{03j} = \gamma_{030} + (V_{03j})$$

$$\delta_{10j} = \gamma_{100} + V_{10j}$$

$$\delta_{20j} = \gamma_{200} + \gamma_{202}(FMcope_j - C) + (V_{20j}) \qquad \delta_{21j} = \gamma_{210} + (V_{21j})$$

Summary: Three-Level Random Effects Models

- Estimating 3-level models requires no new concepts, but everything is an order of complexity higher:
  - Partitioning variance over 3 levels instead of 2 → many possible ICCs
  - Random slope variance will come from the variance directly below:
    - Level-2 random slope variance comes from level-1 residual
    - Level-3 random slope variance comes from level-2 random slope (or residual)
  - Level-1 effects can be random over level 2, level 3, or both
    - ICCs can be computed for level-1 slopes that are random over both level-2 and level-3 (assuming the L2 and L3 variance models match)
    - Smushing of level-1 fixed effects should be tested over levels 2 AND 3
  - Level-2 effects can be random over level 3
    - Smushing of level-2 fixed effects should be tested over level 3
  - Level-3 effects cannot be random; no worries about smushing
  - Phew….

Bonus: Pseudo-R^2 in Three-Level Models

- Although it may not work this neatly in real data, here is the logic for how each type of fixed effect should explain variance
- **Main effects** and purely **same-level interactions** are straightforward—they target their **own level**:
  - L1 main effects and L1 interactions → L1 residual variance
  - L2 main effects and L2 interactions → L2 random intercept variance
  - L3 main effects and L3 interactions → L3 random intercept variance
- For **cross-level interactions**, which variance gets explained **depends** on if **random slopes** are included at each level…
  - L3 * L1 → L3 random variance in L1 slope if included, or L2 random variance in L1 slope if included, or L1 residual otherwise
  - L3 * L2 → L3 random variance in L2 slope if included, or L2 random intercept otherwise
  - L2 * L1 → L2 random variance in L1 slope if included, or L1 residual otherwise