



# Being Realistic About Unmeasured Biases in Observational Studies

Paul R. Rosenbaum

January 2026

## Terminology

---

- **Definition of an Observational Study:** A study of the effects caused by competing treatments that were not randomly assigned to individuals (Cochran 1965, JRSS-A, “Planning of observational studies of human populations”).

# Terminology

---

- **Definition of an Observational Study:** A study of the effects caused by competing treatments that were not randomly assigned to individuals (Cochran 1965, JRSS-A, “Planning of observational studies of human populations”).
- Treatment and outcome may be **associated in the absence of an effect caused by the treatment**, because treatments were not randomly assigned.

# Terminology

---

- **Definition of an Observational Study:** A study of the effects caused by competing treatments that were not randomly assigned to individuals (Cochran 1965, JRSS-A, “Planning of observational studies of human populations”).
- Treatment and outcome may be **associated in the absence of an effect caused by the treatment**, because treatments were not randomly assigned.
- Although we always adjust for measured covariates, treated and control groups may nonetheless **differ in terms of covariates that were not measured**.

# Terminology

---

- **Definition of an Observational Study:** A study of the effects caused by competing treatments that were not randomly assigned to individuals (Cochran 1965, JRSS-A, “Planning of observational studies of human populations”).
- Treatment and outcome may be **associated in the absence of an effect caused by the treatment**, because treatments were not randomly assigned.
- Although we always adjust for measured covariates, treated and control groups may nonetheless **differ in terms of covariates that were not measured**.
- **That is:** without random assignment, the probability of treatment may depend upon relevant covariates that were not measured.

# Terminology

---

- **Definition of an Observational Study:** A study of the effects caused by competing treatments that were not randomly assigned to individuals (Cochran 1965, JRSS-A, “Planning of observational studies of human populations”).
- Treatment and outcome may be **associated in the absence of an effect caused by the treatment**, because treatments were not randomly assigned.
- Although we always adjust for measured covariates, treated and control groups may nonetheless **differ in terms of covariates that were not measured**.
- **That is:** without random assignment, the probability of treatment may depend upon relevant covariates that were not measured.
- This is the **main source of controversy** in observational studies, and it **organizes the design and analysis** of an observational study.

## An example, some methods, some theory for design and analysis

---

- In thinking about unmeasured biases, **context matters**. The talk uses a simple example with a **context that is familiar to everyone**.

## An example, some methods, some theory for design and analysis

---

- In thinking about unmeasured biases, **context matters**. The talk uses a simple example with a **context that is familiar to everyone**.
- Some simple quick claims about how observational studies should be **designed** if they are **to have greater insensitivity to unmeasured biases**. (Proofs of these claims are in Parts III and IV of my *Design of Observational Studies*, 2<sup>nd</sup> edition, 2020.)

## An example, some methods, some theory for design and analysis

---

- In thinking about unmeasured biases, **context matters**. The talk uses a simple example with a **context that is familiar to everyone**.
- Some simple quick claims about how observational studies should be **designed** if they are **to have greater insensitivity to unmeasured biases**. (Proofs of these claims are in Parts III and IV of my *Design of Observational Studies*, 2<sup>nd</sup> edition, 2020.)
- Some theory showing that **choice of methods of analysis** has a substantial effect on the degree to which a study is sensitive to unmeasured biases.

# An example, some methods, some theory for design and analysis

---

- In thinking about unmeasured biases, **context matters**. The talk uses a simple example with a **context that is familiar to everyone**.
- Some simple quick claims about how observational studies should be **designed** if they are **to have greater insensitivity to unmeasured biases**. (Proofs of these claims are in Parts III and IV of my *Design of Observational Studies*, 2<sup>nd</sup> edition, 2020.)
- Some theory showing that **choice of methods of analysis** has a substantial effect on the degree to which a study is sensitive to unmeasured biases.
- Perhaps surprisingly, **evidence of unmeasured bias** may make an observational study insensitive to larger unmeasured biases.

# An example, some methods, some theory for design and analysis

---

- In thinking about unmeasured biases, **context matters**. The talk uses a simple example with a **context that is familiar to everyone**.
- Some simple quick claims about how observational studies should be **designed** if they are **to have greater insensitivity to unmeasured biases**. (Proofs of these claims are in Parts III and IV of my *Design of Observational Studies*, 2<sup>nd</sup> edition, 2020.)
- Some theory showing that **choice of methods of analysis** has a substantial effect on the degree to which a study is sensitive to unmeasured biases.
- Perhaps surprisingly, **evidence of unmeasured bias** may make an observational study insensitive to larger unmeasured biases.
- The example has **several control groups**, so the logic of several control groups will be briefly discussed.

## Derived from:

---

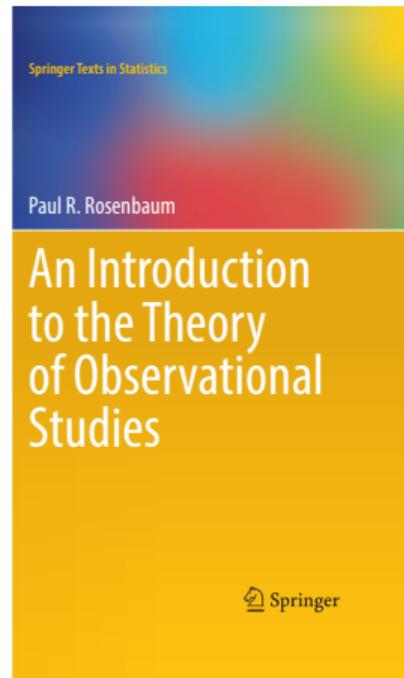


Figure: Data in R package `iTOS`.

## Some General Theses

---

- **Every observational study is affected by unmeasured biases**, but that fact is not debilitating. Example: smoking and lung cancer.

## Some General Theses

---

- **Every observational study is affected by unmeasured biases**, but that fact is not debilitating. Example: smoking and lung cancer.
- Unmeasured bias is unmeasured, but it often has detectable consequences. The **detectable consequences may heighten or diminish concern** that the ostensible causal effects are spurious.

## Some General Theses

---

- **Every observational study is affected by unmeasured biases**, but that fact is not debilitating. Example: smoking and lung cancer.
- Unmeasured bias is unmeasured, but it often has detectable consequences. The **detectable consequences may heighten or diminish concern** that the ostensible causal effects are spurious.
- A **sensitivity analysis** talks about unmeasured biases, but it is computed from – it **is a function of** – **observable data** from observable distributions. Change the observable distributions – change the study design – change the analysis and you change the sensitivity to unmeasured biases.

## Some General Theses

---

- **Every observational study is affected by unmeasured biases**, but that fact is not debilitating. Example: smoking and lung cancer.
- Unmeasured bias is unmeasured, but it often has detectable consequences. The **detectable consequences may heighten or diminish concern** that the ostensible causal effects are spurious.
- A **sensitivity analysis** talks about unmeasured biases, but it is computed from – it **is a function of** – **observable data** from observable distributions. Change the observable distributions – change the study design – change the analysis and you change the sensitivity to unmeasured biases.
- **Without guidance from statistical theory** about the previous point, it is easy to make poor decisions in design and analysis, reporting that your results are sensitive to small biases when they are not.

## Example: HDL Cholesterol and Light Daily Alcohol

---

- You often hear or read that a glass of wine each day with dinner prolongs life reducing cardiovascular mortality, perhaps by increasing HDL cholesterol levels (e.g., Suh et al. *Ann. Int. Med.* 1992;116:881-887).

## Example: HDL Cholesterol and Light Daily Alcohol

---

- You often hear or read that a glass of wine each day with dinner prolongs life reducing cardiovascular mortality, perhaps by increasing HDL cholesterol levels (e.g., Suh et al. *Ann. Int. Med.* 1992;116:881-887).
- A recent position paper by the American Society of Clinical Oncology (Noel Loconte et al. *J. Clin. Oncol.* 2018;36:83-93) is sharply critical of this claim, emphasizing increased risk of death from cancer, although risks from accidents, liver diseases, and violence are relevant too.

## Example: HDL Cholesterol and Light Daily Alcohol

---

- You often hear or read that a glass of wine each day with dinner prolongs life reducing cardiovascular mortality, perhaps by increasing HDL cholesterol levels (e.g., Suh et al. *Ann. Int. Med.* 1992;116:881-887).
- A recent position paper by the American Society of Clinical Oncology (Noel Loconte et al. *J. Clin. Oncol.* 2018;36:83-93) is sharply critical of this claim, emphasizing increased risk of death from cancer, although risks from accidents, liver diseases, and violence are relevant too.
- Purely as a methodological example, will look at a small corner (and alas less important) corner of this topic, namely whether light daily alcohol consumption increases HDL cholesterol.

## Example: HDL Cholesterol and Light Daily Alcohol

---

- You often hear or read that a glass of wine each day with dinner prolongs life reducing cardiovascular mortality, perhaps by increasing HDL cholesterol levels (e.g., Suh et al. *Ann. Int. Med.* 1992;116:881-887).
- A recent position paper by the American Society of Clinical Oncology (Noel Loconte et al. *J. Clin. Oncol.* 2018;36:83-93) is sharply critical of this claim, emphasizing increased risk of death from cancer, although risks from accidents, liver diseases, and violence are relevant too.
- Purely as a methodological example, will look at a small corner (and alas less important) corner of this topic, namely whether light daily alcohol consumption increases HDL cholesterol.
- For some discussion of mortality and light alcohol consumption, see my: “Does a daily glass of wine prolong life? Insight from a second control group,” *Chance*, 2025;38(1):25-30.

## Example: Treated and Control Groups

---

- Adults, age  $\geq 20$ , from NHANES 2013-2016. (At this time, NHANES and CDC defined "binge drinking" as  $\geq 4$  or 5 drinks in a day  $\doteq$  legally drunk.)

## Example: Treated and Control Groups

---

- Adults, age  $\geq 20$ , from NHANES 2013-2016. (At this time, NHANES and CDC defined “binge drinking” as  $\geq 4$  or 5 drinks in a day  $\doteq$  legally drunk.)
- Treated group consumed between 1 and 3 alcoholic drinks on most days, meaning on  $\geq 260 = 5 \times 52$  days last year. (median 520 drinks/year)

## Example: Treated and Control Groups

---

- Adults, age  $\geq 20$ , from NHANES 2013-2016. (At this time, NHANES and CDC defined “binge drinking” as  $\geq 4$  or 5 drinks in a day  $\doteq$  legally drunk.)
- Treated group consumed between 1 and 3 alcoholic drinks on most days, meaning on  $\geq 260 = 5 \times 52$  days last year. (median 520 drinks/year)
- Control group N (=Never) had fewer than 12 drinks in their life. (median 0/year).

## Example: Treated and Control Groups

---

- Adults, age  $\geq 20$ , from NHANES 2013-2016. (At this time, NHANES and CDC defined “binge drinking” as  $\geq 4$  or 5 drinks in a day  $\doteq$  legally drunk.)
- Treated group consumed between 1 and 3 alcoholic drinks on most days, meaning on  $\geq 260 = 5 \times 52$  days last year. (median 520 drinks/year)
- Control group N (=Never) had fewer than 12 drinks in their life. (median 0/year).
- Control group R (=Rarely) had more than 12 drinks in their life, but fewer than 12 drinks in the past year. Never had a period in their lives when they engaged in binge drinking on most days. (median 0 drinks/year).

## Example: Treated and Control Groups

---

- Adults, age  $\geq 20$ , from NHANES 2013-2016. (At this time, NHANES and CDC defined “binge drinking” as  $\geq 4$  or 5 drinks in a day  $\doteq$  legally drunk.)
- Treated group consumed between 1 and 3 alcoholic drinks on most days, meaning on  $\geq 260 = 5 \times 52$  days last year. (median 520 drinks/year)
- Control group N (=Never) had fewer than 12 drinks in their life. (median 0/year).
- Control group R (=Rarely) had more than 12 drinks in their life, but fewer than 12 drinks in the past year. Never had a period in their lives when they engaged in binge drinking on most days. (median 0 drinks/year).
- Control group B (=former Binge drinker) had a period in their lives when they engaged in binge drinking on most days, but stopped, and currently drinks, if at all, on at most one day a week (i.e., 52 days in the past year). (median 4 drinks/year)

## Example: Treated and Control Groups

---

- Adults, age  $\geq 20$ , from NHANES 2013-2016. (At this time, NHANES and CDC defined “binge drinking” as  $\geq 4$  or 5 drinks in a day  $\doteq$  legally drunk.)
- Treated group consumed between 1 and 3 alcoholic drinks on most days, meaning on  $\geq 260 = 5 \times 52$  days last year. (median 520 drinks/year)
- Control group N (=Never) had fewer than 12 drinks in their life. (median 0/year).
- Control group R (=Rarely) had more than 12 drinks in their life, but fewer than 12 drinks in the past year. Never had a period in their lives when they engaged in binge drinking on most days. (median 0 drinks/year).
- Control group B (=former Binge drinker) had a period in their lives when they engaged in binge drinking on most days, but stopped, and currently drinks, if at all, on at most one day a week (i.e., 52 days in the past year). (median 4 drinks/year)
- Take a moment and think about people in these groups.

# Observational Block Design

---

- $I = 406$  blocks of size  $J = 4$ , one person from each group, matched for age, sex, and education (1 is  $< 9$ th grade, 3 is high school, 5 is  $\geq$  BA degree.),

# Observational Block Design

---

- $I = 406$  blocks of size  $J = 4$ , one person from each group, matched for age, sex, and education (1 is  $<9$ th grade, 3 is high school, 5 is  $\geq$  BA degree.),
- **Plus** a binary indicator of whether they were in a NHANES subsample that measured methylmercury levels in blood (200 blocks yes, 206 blocks no).

Table: Covariates **Before=Be** and **After=Af** matching, and the remainder that was **Not** matched . D=daily, N=never, R=rarely, B=past binger. All D's were matched.

	Sample Size			Female %			Age			Education		
	Be	Af	Not	Be	Af	Not	Be	Af	Not	Be	Af	Not
D	406	406	0	34	34		57	57		4.1	4.1	
N	1536	406	1130	71	34	84	51	57	50	3.2	3.8	2.9
R	1237	406	831	72	34	90	53	56	51	3.4	3.9	3.2
B	914	406	508	29	34	25	54	56	53	3.1	3.9	2.5

## Brief Mention of Design Techniques to Address Unmeasured Biases

---

- Campbell/Bitterman idea that **multiple control groups** cannot control unmeasured biases, but they can systematically vary them to see if they matter.

## Brief Mention of Design Techniques to Address Unmeasured Biases

---

- Campbell/Bitterman idea that **multiple control groups** cannot control unmeasured biases, but they can systematically vary them to see if they matter.
- Comparison of daily drinkers with people who barely drink, omitting people who drink twice a week. **Omitting diluted versions of the treatment** increases insensitivity to unmeasured biases (*Design of Observational Studies*, 2020, §18.4; *Introduction to the Theory of Observational Studies* (*iTOS*), 2025, §10.3)

## Brief Mention of Design Techniques to Address Unmeasured Biases

---

- Campbell/Bitterman idea that **multiple control groups** cannot control unmeasured biases, but they can systematically vary them to see if they matter.
- Comparison of daily drinkers with people who barely drink, omitting people who drink twice a week. **Omitting diluted versions of the treatment** increases insensitivity to unmeasured biases (*Design of Observational Studies*, 2020, §18.4; *Introduction to the Theory of Observational Studies* (*iTOS*), 2025, §10.3)
- **Blocks of size 4 are a better design** (1-treated-to-3-controls), better for example than pairs (even many more pairs). Selection bias is harder to distinguish from a treatment effect in pairs or unmatched comparisons, and easier to distinguish with 1-to-3 blocks. (*JASA* 2024, *Biometrics* 2013;69:118-127, *iTOS*, 2025, §10.2).

## Brief Mention of Design Techniques to Address Unmeasured Biases

---

- Campbell/Bitterman idea that **multiple control groups** cannot control unmeasured biases, but they can systematically vary them to see if they matter.
- Comparison of daily drinkers with people who barely drink, omitting people who drink twice a week. **Omitting diluted versions of the treatment** increases insensitivity to unmeasured biases (*Design of Observational Studies*, 2020, §18.4; *Introduction to the Theory of Observational Studies* (*iTOS*), 2025, §10.3)
- **Blocks of size 4 are a better design** (1-treated-to-3-controls), better for example than pairs (even many more pairs). Selection bias is harder to distinguish from a treatment effect in pairs or unmatched comparisons, and easier to distinguish with 1-to-3 blocks. (*JASA* 2024, *Biometrics* 2013;69:118-127, *iTOS*, 2025, §10.2).
- **An unaffected outcome, methylmercury.** WHO & CDC say almost all human exposure to methylmercury comes from eating fish/shellfish. Those who have looked for methylmercury in alcoholic beverages haven't found it. Can we use this?

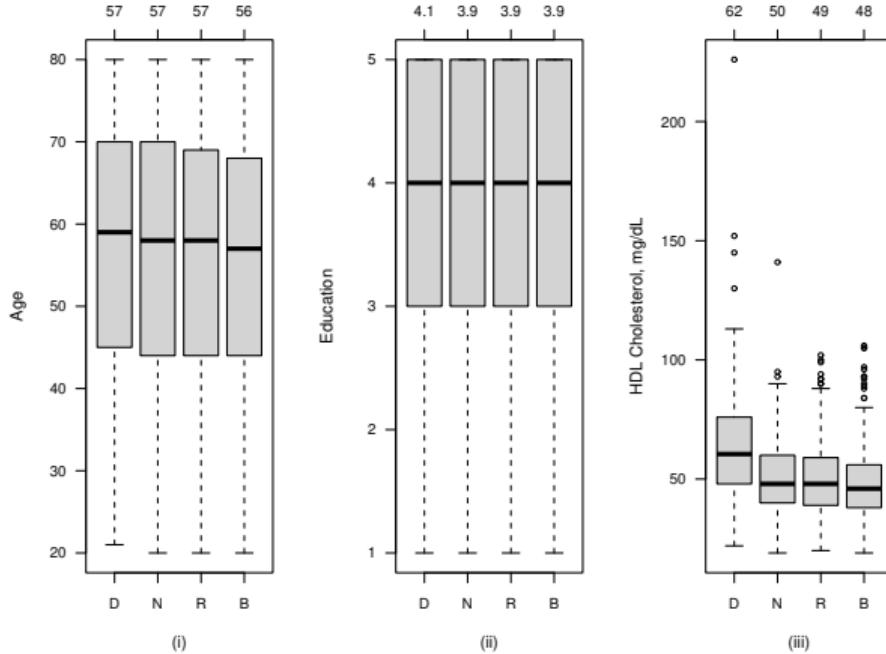


Figure:  $I = 406$  matched blocks. Each group is 33.7% female. M-estimates of location are at the top. D = daily drinking, N = never, R = rare, B = formerly a frequent binge drinker. 6 Pairwise Holm comparisons: D-vs-each control,  $P \leq 10^{-16}$ , each control-vs-control,  $P \geq 0.21$ .

## Do you think the groups are living similar lives?

---

- First thesis was: In observational studies, there are always unmeasured biases.

# Do you think the groups are living similar lives?

---

- First thesis was: In observational studies, there are always unmeasured biases.
- Tests use Friedman or Cochran Q

Table: Blocked comparisons.  $\bar{X}$  is the mean, M is the median.

Variable	D=daily, N=never, R=rarely, B=past binge	Alcohol Group				P-value
		D	N	R	B	
Ever tried marijuana or hashish?	%	73	9	25	75	0.0000000
Ever tried cocaine, heroin, meth?	%	29	4	4	37	0.0000000
Methylmercury in blood ( $\mu\text{g/L}$ )	M	1.12	0.54	0.56	0.56	0.0000008
Been to dentist in past year?	%	67	58	57	48	0.0000006

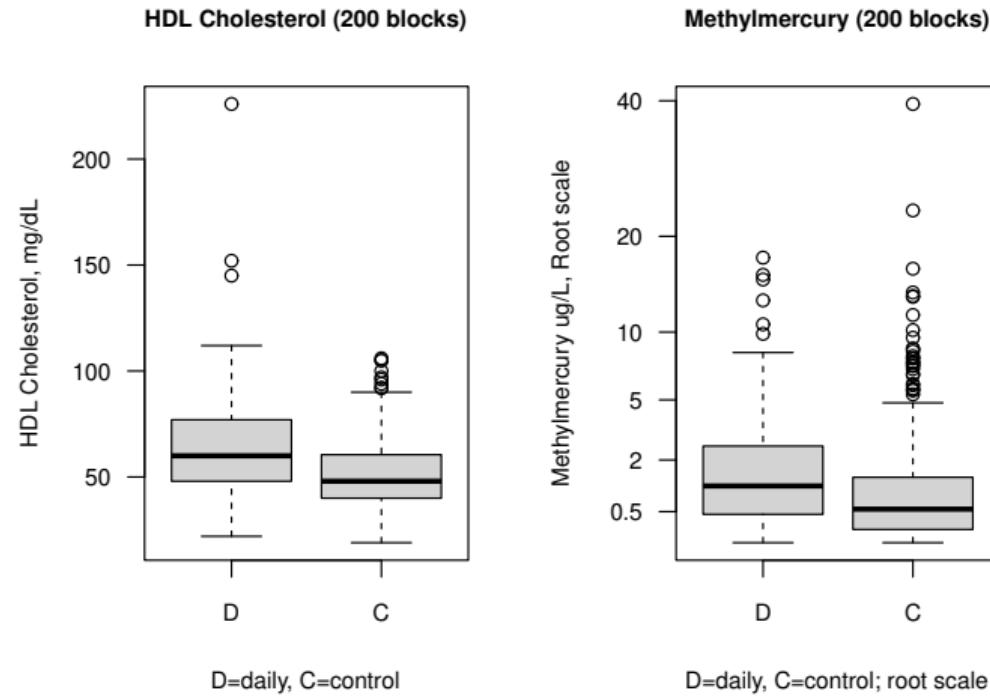


Figure: 200 blocks with methylmercury data.  $\sqrt{y}$  scale on right. Control groups are merged.

## Basic Structure: Treatments, Covariates, Outcomes

---

- **Treatments:** Treated if  $Z = 1$  or control if  $Z = 0$ .

## Basic Structure: Treatments, Covariates, Outcomes

---

- **Treatments:** Treated if  $Z = 1$  or control if  $Z = 0$ .
- **Causal effects:** (Neyman 1923, Rubin 1974) Comparison of a **potential** outcome  $r_T$  under treatment, seen if  $Z = 1$ , and a potential outcome under control,  $r_C$ , seen if  $Z = 0$ , so we observe from a person  $(R, Z)$  for a person, where  $R = Z r_T + (1 - Z) r_C$ .

## Basic Structure: Treatments, Covariates, Outcomes

---

- **Treatments:** Treated if  $Z = 1$  or control if  $Z = 0$ .
- **Causal effects:** (Neyman 1923, Rubin 1974) Comparison of a **potential** outcome  $r_T$  under treatment, seen if  $Z = 1$ , and a potential outcome under control,  $r_C$ , seen if  $Z = 0$ , so we observe from a person  $(R, Z)$  for a person, where  $R = Z r_T + (1 - Z) r_C$ .
- Outcomes  $r_T$ ,  $r_C$  and  $R$  may be **multivariate**. (HDL cholesterol, methymercury).

## Basic Structure: Treatments, Covariates, Outcomes

---

- **Treatments:** Treated if  $Z = 1$  or control if  $Z = 0$ .
- **Causal effects:** (Neyman 1923, Rubin 1974) Comparison of a **potential** outcome  $r_T$  under treatment, seen if  $Z = 1$ , and a potential outcome under control,  $r_C$ , seen if  $Z = 0$ , so we observe from a person  $(R, Z)$  for a person, where  $R = Z r_T + (1 - Z) r_C$ .
- Outcomes  $r_T$ ,  $r_C$  and  $R$  may be **multivariate**. (HDL cholesterol, methymercury).
- **Covariates:** We also observe a covariate  $\mathbf{x}$  and are concerned about unobserved covariates  $u$ .

## Basic Structure: Treatments, Covariates, Outcomes

---

- **Treatments:** Treated if  $Z = 1$  or control if  $Z = 0$ .
- **Causal effects:** (Neyman 1923, Rubin 1974) Comparison of a **potential** outcome  $r_T$  under treatment, seen if  $Z = 1$ , and a potential outcome under control,  $r_C$ , seen if  $Z = 0$ , so we observe from a person  $(R, Z)$  for a person, where  $R = Z r_T + (1 - Z) r_C$ .
- Outcomes  $r_T$ ,  $r_C$  and  $R$  may be **multivariate**. (HDL cholesterol, methymercury).
- **Covariates:** We also observe a covariate  $\mathbf{x}$  and are concerned about unobserved covariates  $u$ .
- **Randomized experiment:**  $Z$  is determined by a coin flip, perhaps after blocking or matching for some function  $\mathbf{h}(\mathbf{x})$ . The coin is “fair” in not depending upon  $(r_T, r_C)$ , or more precisely ...

## Ignorable Treatment Assignment & Principal Unobserved Covariate

---

- Treatment assignment is **ignorable given the observed covariates  $\mathbf{x}$**  if

$$0 < \Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \mathbf{x}) < 1 \quad (1)$$

## Ignorable Treatment Assignment & Principal Unobserved Covariate

---

- Treatment assignment is **ignorable given the observed covariates  $\mathbf{x}$**  if

$$0 < \Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \mathbf{x}) < 1 \quad (1)$$

- If ignorable, **adjustments for  $\mathbf{x}$  suffice** for causal inference.

# Ignorable Treatment Assignment & Principal Unobserved Covariate

---

- Treatment assignment is **ignorable given the observed covariates  $\mathbf{x}$**  if

$$0 < \Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \mathbf{x}) < 1 \quad (1)$$

- If ignorable, **adjustments for  $\mathbf{x}$  suffice** for causal inference.
- We often speak of **ignorable assignment given something else**, given a function  $\mathbf{h}(\mathbf{x})$  of  $\mathbf{x}$ , or given  $(\mathbf{x}, u)$  where  $u$  is an unobserved covariate.

# Ignorable Treatment Assignment & Principal Unobserved Covariate

---

- Treatment assignment is **ignorable given the observed covariates  $\mathbf{x}$**  if

$$0 < \Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \mathbf{x}) < 1 \quad (1)$$

- If ignorable, **adjustments for  $\mathbf{x}$  suffice** for causal inference.
- We often speak of **ignorable assignment given something else**, given a function  $\mathbf{h}(\mathbf{x})$  of  $\mathbf{x}$ , or given  $(\mathbf{x}, u)$  where  $u$  is an unobserved covariate.
- $\Pr(Z = 1 | \mathbf{x}) = e(\mathbf{x})$ , say, is the **propensity score**, and (1)  $\implies$  ignorable given  $e(\mathbf{x})$ .

# Ignorable Treatment Assignment & Principal Unobserved Covariate

---

- Treatment assignment is **ignorable given the observed covariates  $\mathbf{x}$**  if

$$0 < \Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \mathbf{x}) < 1 \quad (1)$$

- If ignorable, **adjustments for  $\mathbf{x}$  suffice** for causal inference.
- We often speak of **ignorable assignment given something else**, given a function  $\mathbf{h}(\mathbf{x})$  of  $\mathbf{x}$ , or given  $(\mathbf{x}, u)$  where  $u$  is an unobserved covariate.
- $\Pr(Z = 1 | \mathbf{x}) = e(\mathbf{x})$ , say, is the **propensity score**, and (1)  $\implies$  ignorable given  $e(\mathbf{x})$ .
- $\Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \zeta$  is the **principal unobserved covariate**.

# Ignorable Treatment Assignment & Principal Unobserved Covariate

---

- Treatment assignment is **ignorable given the observed covariates  $\mathbf{x}$**  if

$$0 < \Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \mathbf{x}) < 1 \quad (1)$$

- If ignorable, **adjustments for  $\mathbf{x}$  suffice** for causal inference.
- We often speak of **ignorable assignment given something else**, given a function  $\mathbf{h}(\mathbf{x})$  of  $\mathbf{x}$ , or given  $(\mathbf{x}, u)$  where  $u$  is an unobserved covariate.
- $\Pr(Z = 1 | \mathbf{x}) = e(\mathbf{x})$ , say, is the **propensity score**, and (1)  $\implies$  ignorable given  $e(\mathbf{x})$ .
- $\Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \zeta$  is the **principal unobserved covariate**.
- Suppose  $0 < \zeta < 1$ . **Two key facts follow**. Then, (i) treatment assignment is ignorable given  $\mathbf{x} \iff e(\mathbf{x}) = \zeta$ , and (ii) treatment assignment is always ignorable given  $\{\mathbf{h}(\mathbf{x}), \zeta\}$  for any function  $\mathbf{h}(\cdot)$ .

# Ignorable Treatment Assignment & Principal Unobserved Covariate

---

- Treatment assignment is **ignorable given the observed covariates  $\mathbf{x}$**  if

$$0 < \Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \mathbf{x}) < 1 \quad (1)$$

- If ignorable, **adjustments for  $\mathbf{x}$  suffice** for causal inference.
- We often speak of **ignorable assignment given something else**, given a function  $\mathbf{h}(\mathbf{x})$  of  $\mathbf{x}$ , or given  $(\mathbf{x}, u)$  where  $u$  is an unobserved covariate.
- $\Pr(Z = 1 | \mathbf{x}) = e(\mathbf{x})$ , say, is the **propensity score**, and (1)  $\implies$  ignorable given  $e(\mathbf{x})$ .
- $\Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \zeta$  is the **principal unobserved covariate**.
- Suppose  $0 < \zeta < 1$ . **Two key facts follow**. Then, (i) treatment assignment is ignorable given  $\mathbf{x} \iff e(\mathbf{x}) = \zeta$ , and (ii) treatment assignment is always ignorable given  $\{\mathbf{h}(\mathbf{x}), \zeta\}$  for any function  $\mathbf{h}(\cdot)$ .
- Importantly,  $\zeta = \Pr(Z = 1 | r_T, r_C, \mathbf{x})$  is a **function of  $(r_T, r_C, \mathbf{x})$** .

# Observational Block Design

---

- Build  $I$  blocks,  $i = 1, \dots, I$ , and  $J$  people per block,  $j = 1, \dots, J$ , with one treated individual per block,  $1 = \sum_{j=1}^J Z_{ij}$  for each  $i$ .

# Observational Block Design

---

- Build  $I$  blocks,  $i = 1, \dots, I$ , and  $J$  people per block,  $j = 1, \dots, J$ , with one treated individual per block,  $1 = \sum_{j=1}^J Z_{ij}$  for each  $i$ .
- Sample independent  $(R, Z, \mathbf{x})$  and assemble into blocks.

# Observational Block Design

---

- Build  $I$  blocks,  $i = 1, \dots, I$ , and  $J$  people per block,  $j = 1, \dots, J$ , with one treated individual per block,  $1 = \sum_{j=1}^J Z_{ij}$  for each  $i$ .
- Sample independent  $(R, Z, \mathbf{x})$  and assemble into blocks.
- Create  $I$  non-overlapping blocks matched for  $\mathbf{h}(\mathbf{x})$ ,

$$\mathbf{h}(\mathbf{x}_{i1}) = \dots = \mathbf{h}(\mathbf{x}_{iJ}), \quad i = 1, \dots, I.$$

# Observational Block Design

---

- Build  $I$  blocks,  $i = 1, \dots, I$ , and  $J$  people per block,  $j = 1, \dots, J$ , with one treated individual per block,  $1 = \sum_{j=1}^J Z_{ij}$  for each  $i$ .
- Sample independent  $(R, Z, \mathbf{x})$  and assemble into blocks.
- Create  $I$  non-overlapping blocks matched for  $\mathbf{h}(\mathbf{x})$ ,

$$\mathbf{h}(\mathbf{x}_{i1}) = \dots = \mathbf{h}(\mathbf{x}_{iJ}), \quad i = 1, \dots, I.$$

- Our **worry** is that the **blocking has not controlled the principal unobserved covariate**,  $\zeta$ , so that  $\zeta_{ij} \neq \zeta_{ij'}$  for some  $i, j$ .

# Observational Block Design

---

- Build  $I$  blocks,  $i = 1, \dots, I$ , and  $J$  people per block,  $j = 1, \dots, J$ , with one treated individual per block,  $1 = \sum_{j=1}^J Z_{ij}$  for each  $i$ .
- Sample independent  $(R, Z, \mathbf{x})$  and assemble into blocks.
- Create  $I$  non-overlapping blocks matched for  $\mathbf{h}(\mathbf{x})$ ,

$$\mathbf{h}(\mathbf{x}_{i1}) = \dots = \mathbf{h}(\mathbf{x}_{iJ}), \quad i = 1, \dots, I.$$

- Our **worry** is that the **blocking has not controlled the principal unobserved covariate**,  $\zeta$ , so that  $\zeta_{ij} \neq \zeta_{ij'}$  for some  $i, j$ .
- **Could happen in any of three ways:** (i) controlling for  $\mathbf{h}(\mathbf{x})$  did not control for  $e(\mathbf{x})$ , (ii) controlling for  $\mathbf{h}(\mathbf{x})$  did not control for  $\zeta_{ij}$  because treatment assignment is not ignorable given  $\mathbf{x}$ , or (iii) both (i) and (ii).

## Notation

---

- Write  $\mathcal{F} = \{(r_{Tij}, r_{cij}, \mathbf{x}_{ij}) \text{, } i = 1, \dots, I, j = 1, \dots, J\}$ .

## Notation

---

- Write  $\mathcal{F} = \{(r_{Tij}, r_{Cij}, \mathbf{x}_{ij}) \text{, } i = 1, \dots, I, j = 1, \dots, J\}$ .
- Principal unobserved covariate  $\zeta = \Pr(Z = 1 | r_T, r_C, \mathbf{X})$  is a function of  $(r_T, r_C, \mathbf{X})$ , all of which are in  $\mathcal{F}$ , so  $\zeta_{ij} = \Pr(Z_{ij} = 1 | \mathcal{F})$ .

## Notation

---

- Write  $\mathcal{F} = \{(r_{Tij}, r_{Cij}, \mathbf{x}_{ij}), i = 1, \dots, I, j = 1, \dots, J\}$ .
- Principal unobserved covariate  $\zeta = \Pr(Z = 1 | r_T, r_C, \mathbf{X})$  is a function of  $(r_T, r_C, \mathbf{X})$ , all of which are in  $\mathcal{F}$ , so  $\zeta_{ij} = \Pr(Z_{ij} = 1 | \mathcal{F})$ .
- Let  $\mathcal{Z}$  be the set of possible values,  $\mathbf{z}$ , of  $\mathbf{Z} = (Z_{11}, \dots, Z_{IJ})$ , so  $z_{ij} = 0$  or  $1$ , and  $1 = \sum_{j=1}^J z_{ij}$  for  $i = 1, \dots, I$ . So,  $\mathcal{Z}$  contains  $J^I$  elements  $\mathbf{z}$ .

## Notation

---

- Write  $\mathcal{F} = \{(r_{Tij}, r_{Cij}, \mathbf{x}_{ij}), i = 1, \dots, I, j = 1, \dots, J\}$ .
- Principal unobserved covariate  $\zeta = \Pr(Z = 1 | r_T, r_C, \mathbf{X})$  is a function of  $(r_T, r_C, \mathbf{X})$ , all of which are in  $\mathcal{F}$ , so  $\zeta_{ij} = \Pr(Z_{ij} = 1 | \mathcal{F})$ .
- Let  $\mathcal{Z}$  be the set of possible values,  $\mathbf{z}$ , of  $\mathbf{Z} = (Z_{11}, \dots, Z_{IJ})$ , so  $z_{ij} = 0$  or  $1$ , and  $1 = \sum_{j=1}^J z_{ij}$  for  $i = 1, \dots, I$ . So,  $\mathcal{Z}$  contains  $J^I$  elements  $\mathbf{z}$ .
- We sampled independent people and blocked so that  $\mathbf{Z} \in \mathcal{Z}$ , i.e., by conditioning on the event  $\mathbf{Z} \in \mathcal{Z}$ .

## Notation

---

- Write  $\mathcal{F} = \{(r_{Tij}, r_{Cij}, \mathbf{x}_{ij}), i = 1, \dots, I, j = 1, \dots, J\}$ .
- Principal unobserved covariate  $\zeta = \Pr(Z = 1 | r_T, r_C, \mathbf{X})$  is a function of  $(r_T, r_C, \mathbf{X})$ , all of which are in  $\mathcal{F}$ , so  $\zeta_{ij} = \Pr(Z_{ij} = 1 | \mathcal{F})$ .
- Let  $\mathcal{Z}$  be the set of possible values,  $\mathbf{z}$ , of  $\mathbf{Z} = (Z_{11}, \dots, Z_{IJ})$ , so  $z_{ij} = 0$  or  $1$ , and  $1 = \sum_{j=1}^J z_{ij}$  for  $i = 1, \dots, I$ . So,  $\mathcal{Z}$  contains  $J^I$  elements  $\mathbf{z}$ .
- We sampled independent people and blocked so that  $\mathbf{Z} \in \mathcal{Z}$ , i.e., by conditioning on the event  $\mathbf{Z} \in \mathcal{Z}$ .
- Abbreviate conditioning on  $\mathbf{Z} \in \mathcal{Z}$  as conditioning on  $\mathcal{Z}$ .

## Notation

---

- Write  $\mathcal{F} = \{(r_{Tij}, r_{Cij}, \mathbf{x}_{ij}), i = 1, \dots, I, j = 1, \dots, J\}$ .
- Principal unobserved covariate  $\zeta = \Pr(Z = 1 | r_T, r_C, \mathbf{X})$  is a function of  $(r_T, r_C, \mathbf{X})$ , all of which are in  $\mathcal{F}$ , so  $\zeta_{ij} = \Pr(Z_{ij} = 1 | \mathcal{F})$ .
- Let  $\mathcal{Z}$  be the set of possible values,  $\mathbf{z}$ , of  $\mathbf{Z} = (Z_{11}, \dots, Z_{IJ})$ , so  $z_{ij} = 0$  or  $1$ , and  $1 = \sum_{j=1}^J z_{ij}$  for  $i = 1, \dots, I$ . So,  $\mathcal{Z}$  contains  $J^I$  elements  $\mathbf{z}$ .
- We sampled independent people and blocked so that  $\mathbf{Z} \in \mathcal{Z}$ , i.e., by conditioning on the event  $\mathbf{Z} \in \mathcal{Z}$ .
- Abbreviate conditioning on  $\mathbf{Z} \in \mathcal{Z}$  as conditioning on  $\mathcal{Z}$ .
- For example, in a randomized block design,

$$\frac{1}{J} = \Pr(Z_{ij} = 1 | \mathcal{F}, \mathcal{Z})$$

## Bias Within Blocks; Introducing $\theta_{ij}$

---

- Given  $\mathcal{F}$ , the chance that  $ij$  is the only treated individual in block  $i$  is the chance that  $Z_{ij} = 1$  and  $Z_{ik} = 0$  for  $k \neq i$

$$\zeta_{ij} \prod_{k \neq j}^J (1 - \zeta_{ik}) = \frac{\zeta_{ij}}{1 - \zeta_{ij}} \prod_{k=1}^J (1 - \zeta_{ik}),$$

## Bias Within Blocks; Introducing $\theta_{ij}$

---

- Given  $\mathcal{F}$ , the chance that  $ij$  is the only treated individual in block  $i$  is the chance that  $Z_{ij} = 1$  and  $Z_{ik} = 0$  for  $k \neq i$

$$\zeta_{ij} \prod_{k \neq j}^J (1 - \zeta_{ik}) = \frac{\zeta_{ij}}{1 - \zeta_{ij}} \prod_{k=1}^J (1 - \zeta_{ik}),$$

- So, conditioning on  $\sum_{k=1}^J Z_{ik} = 1$  says  $\Pr(Z_{ij} = 1 | r_{Tij}, r_{Cij}, \mathbf{x}_{ij}, \sum Z_{ik} = 1)$  equals

$$\Pr(Z_{ij} = 1 | \mathcal{F}, \mathcal{Z}) = \frac{\frac{\zeta_{ij}}{1 - \zeta_{ij}}}{\sum_{k=1}^J \frac{\zeta_{ik}}{1 - \zeta_{ik}}} = \theta_{ij},$$

say, where  $1 = \sum_{j=1}^J \theta_{ij}$  for each  $i$ .

## Sensitivity Analysis in Terms of $\zeta$

---

- From the previous slide,  $1 = \sum_{j=1}^J \theta_{ij}$  and

$$\Pr(Z_{ij} = 1 \mid r_{Tij}, r_{Cij}, \mathbf{x}_{ij}, \sum Z_{ik} = 1) = \Pr(Z_{ij} = 1 \mid \mathcal{F}, \mathcal{Z}) = \frac{\frac{\zeta_{ij}}{1-\zeta_{ij}}}{\sum_{k=1}^J \frac{\zeta_{ik}}{1-\zeta_{ik}}} = \theta_{ij},$$

# Sensitivity Analysis in Terms of $\zeta$

---

- From the previous slide,  $1 = \sum_{j=1}^J \theta_{ij}$  and

$$\Pr(Z_{ij} = 1 \mid r_{Tij}, r_{Cij}, \mathbf{x}_{ij}, \sum Z_{ik} = 1) = \Pr(Z_{ij} = 1 \mid \mathcal{F}, \mathcal{Z}) = \frac{\frac{\zeta_{ij}}{1-\zeta_{ij}}}{\sum_{k=1}^J \frac{\zeta_{ik}}{1-\zeta_{ik}}} = \theta_{ij},$$

- Sensitivity analysis in terms of the principal unobserved covariate  
 $\zeta = \Pr(Z = 1 \mid r_t, r_c, \mathbf{x})$

$$\Gamma \geq \frac{\zeta_{ij} (1 - \zeta_{ij'})}{\zeta_{ij'} (1 - \zeta_{ij})} \geq \frac{1}{\Gamma} \text{ for all } i, j, j'.$$

is the same as

$$\Gamma \geq \frac{\theta_{ij}}{\theta_{ij'}} \geq \frac{1}{\Gamma} \text{ for all } i, j, j'$$

# Comparing Methods and Designs for Observational Studies

---

- **Different statistics, different research designs, correctly yield different levels of sensitivity to unobserved biases.**

# Comparing Methods and Designs for Observational Studies

---

- **Different statistics, different research designs, correctly yield different levels of sensitivity to unobserved biases.**
- We would like to understand this, so we can make wise choices in design and analysis.

# Comparing Methods and Designs for Observational Studies

---

- **Different statistics, different research designs, correctly yield different levels of sensitivity to unobserved biases.**
- We would like to understand this, so we can make wise choices in design and analysis.
- **First**, let's do an **analysis of the alcohol data** and see it happen in one data set.

# Comparing Methods and Designs for Observational Studies

---

- **Different statistics, different research designs, correctly yield different levels of sensitivity to unobserved biases.**
- We would like to understand this, so we can make wise choices in design and analysis.
- **First**, let's do an **analysis of the alcohol data** and see it happen in one data set.
- **Second**, set aside our one data set, **replace it by a probability model that generates data**, and demonstrate that what happened once in data should always happen, measuring precisely when and to what degree it happens.

# Comparing Methods and Designs for Observational Studies

---

- **Different statistics, different research designs, correctly yield different levels of sensitivity to unobserved biases.**
- We would like to understand this, so we can make wise choices in design and analysis.
- **First**, let's do an **analysis of the alcohol data** and see it happen in one data set.
- **Second**, set aside our one data set, **replace it by a probability model that generates data**, and demonstrate that what happened once in data should always happen, measuring precisely when and to what degree it happens.
- Start with a **collection of closely related statistics**, including familiar and unfamiliar statistics. See how the results vary in this collection.

# Weighted Rank Statistics

---

- Test the hypothesis of no effect,  $H_0 : r_{Tij} = r_{Cij}, \forall i, j.$

# Weighted Rank Statistics

---

- Test the hypothesis of no effect,  $H_0 : r_{Tij} = r_{Cij}, \forall i, j.$
- Rank  $R_{ij}$  from 1 to  $J$  in each block  $i$ , with average ranks for ties, calling the within-block ranks  $q_{ij}.$

# Weighted Rank Statistics

---

- Test the hypothesis of no effect,  $H_0 : r_{Tij} = r_{Cij}, \forall i, j.$
- Rank  $R_{ij}$  from 1 to  $J$  in each block  $i$ , with average ranks for ties, calling the within-block ranks  $q_{ij}$ .
- Let  $Iw_i$  be the rank the  $i$ th of the  $I$  within-block ranges  $b_i = \max R_{ij} - \min R_{ij}$ , with average ranks for ties, so  $0 \leq w_i \leq 1$ .

# Weighted Rank Statistics

---

- Test the hypothesis of no effect,  $H_0 : r_{Tij} = r_{Cij}, \forall i, j$ .
- Rank  $R_{ij}$  from 1 to  $J$  in each block  $i$ , with average ranks for ties, calling the within-block ranks  $q_{ij}$ .
- Let  $Iw_i$  be the rank the  $i$ th of the  $I$  within-block ranges  $b_i = \max R_{ij} - \min R_{ij}$ , with average ranks for ties, so  $0 \leq w_i \leq 1$ .
- Score the ranks of the ranges by a function  $\varphi(w_i)$ , where  $\varphi : [0, 1] \rightarrow [0, 1]$ .

# Weighted Rank Statistics

---

- Test the hypothesis of no effect,  $H_0 : r_{Tij} = r_{Cij}, \forall i, j$ .
- Rank  $R_{ij}$  from 1 to  $J$  in each block  $i$ , with average ranks for ties, calling the within-block ranks  $q_{ij}$ .
- Let  $Iw_i$  be the rank the  $i$ th of the  $I$  within-block ranges  $b_i = \max R_{ij} - \min R_{ij}$ , with average ranks for ties, so  $0 \leq w_i \leq 1$ .
- Score the ranks of the ranges by a function  $\varphi(w_i)$ , where  $\varphi : [0, 1] \rightarrow [0, 1]$ .
- The test statistic is  $T = \sum_i^I \varphi(w_i) \sum_{j=1}^J Z_{ij} q_{ij}$ .

# Weighted Rank Statistics

---

- Test the hypothesis of no effect,  $H_0 : r_{Tij} = r_{Cij}, \forall i, j$ .
- Rank  $R_{ij}$  from 1 to  $J$  in each block  $i$ , with average ranks for ties, calling the within-block ranks  $q_{ij}$ .
- Let  $Iw_i$  be the rank the  $i$ th of the  $I$  within-block ranges  $b_i = \max R_{ij} - \min R_{ij}$ , with average ranks for ties, so  $0 \leq w_i \leq 1$ .
- Score the ranks of the ranges by a function  $\varphi(w_i)$ , where  $\varphi : [0, 1] \rightarrow [0, 1]$ .
- The test statistic is  $T = \sum_i^I \varphi(w_i) \sum_{j=1}^J Z_{ij} q_{ij}$ .
- For pairs,  $J = 2$ , taking  $\varphi(w) = 1$  yields the sign test, taking  $\varphi(w) = w$  yields Wilcoxon's signed rank test, and for general  $\varphi(w)$  it is a general signed rank test.

# Weighted Rank Statistics

---

- Test the hypothesis of no effect,  $H_0 : r_{Tij} = r_{Cij}, \forall i, j$ .
- Rank  $R_{ij}$  from 1 to  $J$  in each block  $i$ , with average ranks for ties, calling the within-block ranks  $q_{ij}$ .
- Let  $Iw_i$  be the rank the  $i$ th of the  $I$  within-block ranges  $b_i = \max R_{ij} - \min R_{ij}$ , with average ranks for ties, so  $0 \leq w_i \leq 1$ .
- Score the ranks of the ranges by a function  $\varphi(w_i)$ , where  $\varphi : [0, 1] \rightarrow [0, 1]$ .
- The test statistic is  $T = \sum_i^I \varphi(w_i) \sum_{j=1}^J Z_{ij} q_{ij}$ .
- For pairs,  $J = 2$ , taking  $\varphi(w) = 1$  yields the sign test, taking  $\varphi(w) = w$  yields Wilcoxon's signed rank test, and for general  $\varphi(w)$  it is a general signed rank test.
- For  $J \geq 2$ , taking  $\varphi(w_i) = 1$  yields the blocked Wilcoxon rank sum test (Lehmann 1975 *Nonparametrics*, §3.3), and taking  $\varphi(w) = w$  yields Quade's (1979, JASA) statistic.

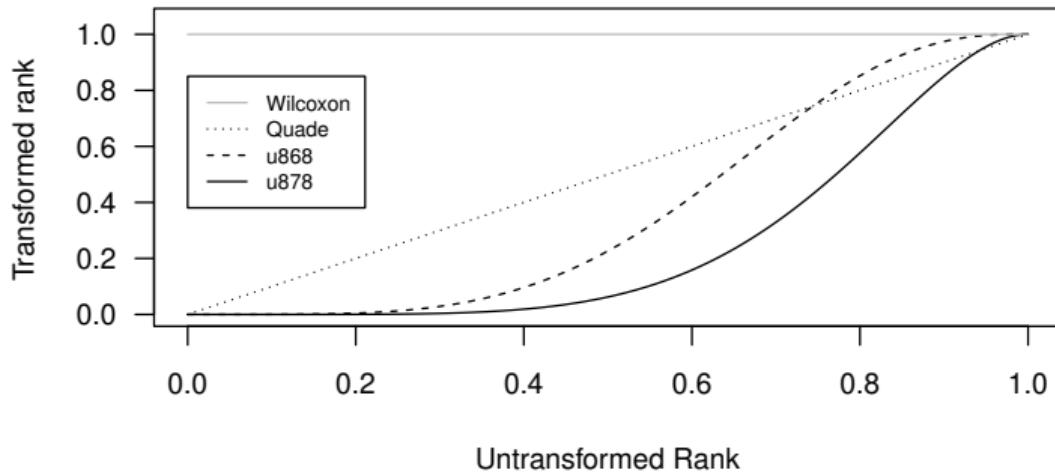


Figure: Four weight functions  $\varphi(w)$  of the block ranges.

## The Set $B_\Gamma$ of Biased Treatment Assignments $\theta$

---

- Define  $B_\Gamma$  as the set of all  $\theta = (\theta_{11}, \dots, \theta_{IJ})$  such that:

$$1 = \sum_j \theta_{ij}, \quad i = 1, \dots, I \quad \text{and} \quad \Gamma \geq \frac{\theta_{ij}}{\theta_{ij'}} \geq \frac{1}{\Gamma} \text{ for all } i, j, j'$$

## The Set $B_\Gamma$ of Biased Treatment Assignments $\theta$

---

- Define  $B_\Gamma$  as the set of all  $\theta = (\theta_{11}, \dots, \theta_{IJ})$  such that:

$$1 = \sum_j \theta_{ij}, \quad i = 1, \dots, I \quad \text{and} \quad \Gamma \geq \frac{\theta_{ij}}{\theta_{ij'}} \geq \frac{1}{\Gamma} \text{ for all } i, j, j'$$

- With  $I = 406$  and  $J = 4$ , each  $\theta$  is of **dimension**  $IJ = 1624$  but lives in **flat of dimension**  $I(J - 1) = 1218$ .  $B_\Gamma$  is a closed and bounded (hence compact) set of  $\theta$ 's.

## The Set $B_\Gamma$ of Biased Treatment Assignments $\theta$

---

- Define  $B_\Gamma$  as the set of all  $\theta = (\theta_{11}, \dots, \theta_{IJ})$  such that:

$$1 = \sum_j \theta_{ij}, \quad i = 1, \dots, I \quad \text{and} \quad \Gamma \geq \frac{\theta_{ij}}{\theta_{ij'}} \geq \frac{1}{\Gamma} \text{ for all } i, j, j'$$

- With  $I = 406$  and  $J = 4$ , each  $\theta$  is of **dimension**  $IJ = 1624$  but lives in **flat of dimension**  $I(J - 1) = 1218$ .  $B_\Gamma$  is a closed and bounded (hence compact) set of  $\theta$ 's.
- **Nested sets**,  $B_\Gamma \subset B_{\Gamma'}$  for  $\Gamma < \Gamma'$ , assume less and less as  $\Gamma \rightarrow \infty$ .

## The Set $B_\Gamma$ of Biased Treatment Assignments $\theta$

---

- Define  $B_\Gamma$  as the set of all  $\theta = (\theta_{11}, \dots, \theta_{IJ})$  such that:

$$1 = \sum_j \theta_{ij}, \quad i = 1, \dots, I \quad \text{and} \quad \Gamma \geq \frac{\theta_{ij}}{\theta_{ij'}} \geq \frac{1}{\Gamma} \text{ for all } i, j, j'$$

- With  $I = 406$  and  $J = 4$ , each  $\theta$  is of **dimension**  $IJ = 1624$  but lives in **flat of dimension**  $I(J - 1) = 1218$ .  $B_\Gamma$  is a closed and bounded (hence compact) set of  $\theta$ 's.
- **Nested sets**,  $B_\Gamma \subset B_{\Gamma'}$  for  $\Gamma < \Gamma'$ , assume less and less as  $\Gamma \rightarrow \infty$ .
- Every  $\theta$  with  $0 < \theta_{ij} < 1$  and  $1 = \sum_j \theta_{ij}$  is in some  $B_\Gamma$  for large enough  $\Gamma$ .

## The Set $B_\Gamma$ of Biased Treatment Assignments $\theta$

---

- Define  $B_\Gamma$  as the set of all  $\theta = (\theta_{11}, \dots, \theta_{IJ})$  such that:

$$1 = \sum_j \theta_{ij}, \quad i = 1, \dots, I \quad \text{and} \quad \Gamma \geq \frac{\theta_{ij}}{\theta_{ij'}} \geq \frac{1}{\Gamma} \text{ for all } i, j, j'$$

- With  $I = 406$  and  $J = 4$ , each  $\theta$  is of **dimension**  $IJ = 1624$  but lives in **flat of dimension**  $I(J - 1) = 1218$ .  $B_\Gamma$  is a closed and bounded (hence compact) set of  $\theta$ 's.
- **Nested sets**,  $B_\Gamma \subset B_{\Gamma'}$  for  $\Gamma < \Gamma'$ , assume less and less as  $\Gamma \rightarrow \infty$ .
- Every  $\theta$  with  $0 < \theta_{ij} < 1$  and  $1 = \sum_j \theta_{ij}$  is in some  $B_\Gamma$  for large enough  $\Gamma$ .
- A **randomized block design** has  $\theta = \bar{\theta}$  where  $\bar{\theta}_{ij} = 1/J$  or equivalently  $\theta \in B_1$ .

## The Set $B_\Gamma$ of Biased Treatment Assignments $\theta$

---

- Define  $B_\Gamma$  as the set of all  $\theta = (\theta_{11}, \dots, \theta_{IJ})$  such that:

$$1 = \sum_j \theta_{ij}, \quad i = 1, \dots, I \quad \text{and} \quad \Gamma \geq \frac{\theta_{ij}}{\theta_{ij'}} \geq \frac{1}{\Gamma} \text{ for all } i, j, j'$$

- With  $I = 406$  and  $J = 4$ , each  $\theta$  is of **dimension**  $IJ = 1624$  but lives in **flat of dimension**  $I(J - 1) = 1218$ .  $B_\Gamma$  is a closed and bounded (hence compact) set of  $\theta$ 's.
- **Nested sets**,  $B_\Gamma \subset B_{\Gamma'}$  for  $\Gamma < \Gamma'$ , assume less and less as  $\Gamma \rightarrow \infty$ .
- Every  $\theta$  with  $0 < \theta_{ij} < 1$  and  $1 = \sum_j \theta_{ij}$  is in some  $B_\Gamma$  for large enough  $\Gamma$ .
- A **randomized block design** has  $\theta = \bar{\theta}$  where  $\bar{\theta}_{ij} = 1/J$  or equivalently  $\theta \in B_1$ .
- The **central problem in an observational block design** is that there is no basis for assuming  $\theta \in B_1$ . For  $\Gamma > 1$ ,  $\theta \in B_\Gamma$  does not identify  $\theta$ .

# Sensitivity Analysis

---

- Reject  $H_0$  if  $T \geq t$  where  $T = \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij}$  and  $\Pr(\mathbf{Z} = \mathbf{z} | \mathcal{F}, \mathcal{Z}) = \prod_i \prod_j \theta_{ij}^{Z_{ij}}$ .

## Sensitivity Analysis

---

- Reject  $H_0$  if  $T \geq t$  where  $T = \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij}$  and  $\Pr(\mathbf{Z} = \mathbf{z} | \mathcal{F}, \mathcal{Z}) = \prod_i \prod_j \theta_{ij}^{Z_{ij}}$ .
- $[A] = 1$  if event  $A$  occurs; otherwise 0. Rejection of  $H_0$ :  $\left[ \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij} \geq t \right] = 1$ .

# Sensitivity Analysis

---

- Reject  $H_0$  if  $T \geq t$  where  $T = \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij}$  and  $\Pr(\mathbf{Z} = \mathbf{z} | \mathcal{F}, \mathcal{Z}) = \prod_i \prod_j \theta_{ij}^{Z_{ij}}$ .
- $[A] = 1$  if event  $A$  occurs; otherwise 0. Rejection of  $H_0$ :  $\left[ \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij} \geq t \right] = 1$ .
- **For fixed  $\theta$ , rejection occurs with probability**

$$\sum_{\mathbf{z} \in \mathcal{Z}} \left[ \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij} \geq t \right] \prod_i \prod_j \theta_{ij}^{Z_{ij}}$$

# Sensitivity Analysis

---

- Reject  $H_0$  if  $T \geq t$  where  $T = \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij}$  and  $\Pr(\mathbf{Z} = \mathbf{z} | \mathcal{F}, \mathcal{Z}) = \prod_i \prod_j \theta_{ij}^{Z_{ij}}$ .
- $[A] = 1$  if event  $A$  occurs; otherwise 0. Rejection of  $H_0$ :  $\left[ \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij} \geq t \right] = 1$ .
- **For fixed  $\theta$ , rejection occurs with probability**

$$\sum_{\mathbf{z} \in \mathcal{Z}} \left[ \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij} \geq t \right] \prod_i \prod_j \theta_{ij}^{Z_{ij}}$$

- For a given  $\Gamma \geq 1$ , **the max P-value** for  $\theta \in B_\Gamma$  is

$$P_\Gamma = \max_{\theta \in B_\Gamma} \sum_{\mathbf{z} \in \mathcal{Z}} \left[ \sum_i \varphi(w_i) \sum_j Z_{ij} q_{ij} \geq t \right] \prod_i \prod_j \theta_{ij}^{Z_{ij}}$$

## Sensitivity Analysis, Alcohol Example, Comparing 4 Statistics

---

Table: Upper bounds on one-sided P-values testing no effect of light daily alcohol on HDL Cholesterol. In a column, **bold** is a  $P$ -value near 0.05. Hammond's (1964, JNCI) study of smoking and lung cancer is sensitive to a bias of  $\Gamma = 6$ . The choice of test statistic matters.

$\Gamma$	Wilcoxon	Quade	U868	U878
1	0.0000	0.0000	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000
3.5	<b>0.0603</b>	0.0002	0.0000	0.0000
4	0.3478	0.0052	0.0003	0.0001
4.5	0.7401	<b>0.0447</b>	0.0028	0.0010
5	0.9429	0.1775	0.0154	0.0050
5.5	0.9926	0.4123	<b>0.0537</b>	0.0174
6	0.9994	0.6642	0.1340	<b>0.0456</b>

## Is 1-to-3 Better Than 1-to-1? A Fair Comparison

---

- Want to see in the data my earlier claim that 1-to-3 blocks more insensitive to bias than 1-to-1 pairs.

## Is 1-to-3 Better Than 1-to-1? A Fair Comparison

---

- Want to see in the data my earlier claim that 1-to-3 blocks more insensitive to bias than 1-to-1 pairs.
- Not fair to compare 406 1-to-3 blocks to 406 1-to-1 pairs.

## Is 1-to-3 Better Than 1-to-1? A Fair Comparison

---

- Want to see in the data my earlier claim that 1-to-3 blocks more insensitive to bias than 1-to-1 pairs.
- Not fair to compare 406 1-to-3 blocks to 406 1-to-1 pairs.
- Consider the usual Gaussian linear model, additive block effects, constant within block variance  $\sigma^2$ . Estimator is the mean of the treated-minus-average control difference.

## Is 1-to-3 Better Than 1-to-1? A Fair Comparison

---

- Want to see in the data my earlier claim that 1-to-3 blocks more insensitive to bias than 1-to-1 pairs.
- Not fair to compare 406 1-to-3 blocks to 406 1-to-1 pairs.
- Consider the usual Gaussian linear model, additive block effects, constant within block variance  $\sigma^2$ . Estimator is the mean of the treated-minus-average control difference.
- With  $M$  1-to-1 pairs, estimator has variance  $2\sigma^2/M$ . With  $I$  1-to-3 blocks, estimator has variance  $(1 + 1/3)\sigma^2/I$ . As far as the standard error goes,  $M$  pairs is about the same as  $I$  1-to-3 blocks if  $I = (1 + 1/3)M/2$ . For  $M = 406$  pairs, take  $I = 2M/3 \doteq 271$  blocks.

## Fair Comparison, Pairs Versus Blocks

---

Table: Bounds on P-values for the hypothesis of no effect. Last P-value  $\leq 0.05$  is in **bold**.

$\Gamma$	406 1-to-1 Pairs				271 1-to-3 Blocks			
	Wilcoxon	Quade	U868	U878	Wilcoxon	Quade	U868	U878
1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2	<b>0.006</b>	<b>0.000</b>	0.000	0.000	0.000	0.000	0.000	0.000
3.5	0.994	0.233	<b>0.013</b>	0.003	<b>0.044</b>	0.001	0.000	0.000
4	1.000	0.584	0.064	0.015	0.224	0.008	0.001	0.001
4.5	1.000	0.851	0.182	<b>0.046</b>	0.532	<b>0.045</b>	0.007	0.004
5	1.000	0.963	0.359	0.106	0.799	0.143	<b>0.024</b>	0.014
5.5	1.000	0.993	0.552	0.198	0.937	0.310	0.063	<b>0.034</b>
6	1.000	0.999	0.720	0.311	0.985	0.511	0.131	0.069

## Can We Understand This Theoretically?

---

- Suppose that we have some **model that generated the data**,  $I$  blocks of size  $J$ , one treated individual per block. Let  $I \rightarrow \infty$ .

## Can We Understand This Theoretically?

---

- Suppose that we have some **model that generated the data**,  $I$  blocks of size  $J$ , one treated individual per block. Let  $I \rightarrow \infty$ .
- **When letting  $I \rightarrow \infty$ , quantities gain a subscript  $I$ :**  $T$  becomes  $T_I$ , for example.

## Can We Understand This Theoretically?

---

- Suppose that we have some **model that generated the data**,  $I$  blocks of size  $J$ , one treated individual per block. Let  $I \rightarrow \infty$ .
- **When letting  $I \rightarrow \infty$** , quantities gain a **subscript  $I$** :  $T$  becomes  $T_I$ , for example.
- **A basic block model** with continuous & bivariate exchangeable errors  $(\varepsilon_{Tij}, \varepsilon_{cij})$

$$r_{Tij} = \mu + \beta_i + \tau + \varepsilon_{Tij}, \quad r_{cij} = \mu + \beta_i + \varepsilon_{cij}, \quad r_{Tij} - r_{cij} = \tau + \varepsilon_{Tij} - \varepsilon_{cij},$$

# Can We Understand This Theoretically?

---

- Suppose that we have some **model that generated the data**,  $I$  blocks of size  $J$ , one treated individual per block. Let  $I \rightarrow \infty$ .
- **When letting  $I \rightarrow \infty$** , quantities gain a **subscript  $I$** :  $T$  becomes  $T_I$ , for example.
- **A basic block model** with continuous & bivariate exchangeable errors ( $\varepsilon_{Tij}, \varepsilon_{Cij}$ )

$$r_{Tij} = \mu + \beta_i + \tau + \varepsilon_{Tij}, \quad r_{Cij} = \mu + \beta_i + \varepsilon_{Cij}, \quad r_{Tij} - r_{Cij} = \tau + \varepsilon_{Tij} - \varepsilon_{Cij},$$

- **Treated-minus-control pair difference** in block  $i$  is  $r_{Tij} - r_{Cij'} = \tau + \varepsilon_{Tij} - \varepsilon_{Cij'}$  is symmetric about  $\tau$ . Numerical work takes  $1 = \sqrt{\text{var}(\varepsilon_{Tij} - \varepsilon_{Cij'})}$  and  $\tau = 1/2$ .

## Can We Understand This Theoretically?

---

- Suppose that we have some **model that generated the data**,  $I$  blocks of size  $J$ , one treated individual per block. Let  $I \rightarrow \infty$ .
- **When letting  $I \rightarrow \infty$** , quantities gain a **subscript  $I$** :  $T$  becomes  $T_I$ , for example.
- **A basic block model** with continuous & bivariate exchangeable errors  $(\varepsilon_{Tij}, \varepsilon_{Cij})$

$$r_{Tij} = \mu + \beta_i + \tau + \varepsilon_{Tij}, \quad r_{Cij} = \mu + \beta_i + \varepsilon_{Cij}, \quad r_{Tij} - r_{Cij} = \tau + \varepsilon_{Tij} - \varepsilon_{Cij},$$

- **Treated-minus-control pair difference** in block  $i$  is  $r_{Tij} - r_{Cij} = \tau + \varepsilon_{Tij} - \varepsilon_{Cij}$  is symmetric about  $\tau$ . Numerical work takes  $1 = \sqrt{\text{var}(\varepsilon_{Tij} - \varepsilon_{Cij})}$  and  $\tau = 1/2$ .
- Imagine the **study is unaffected by unmeasured bias** (i.e., ignorable given  $\mathbf{x}$ ), so that  $1/J = \theta_{ij} = \Pr(Z_{ij} = 1 \mid r_{Tij}, r_{Cij}, \mathbf{x}_{ij}, \sum Z_{ik} = 1), \forall i, j$ .

# Can We Understand This Theoretically?

---

- Suppose that we have some **model that generated the data**,  $I$  blocks of size  $J$ , one treated individual per block. Let  $I \rightarrow \infty$ .
- **When letting  $I \rightarrow \infty$** , quantities gain a **subscript  $I$** :  $T$  becomes  $T_I$ , for example.
- **A basic block model** with continuous & bivariate exchangeable errors  $(\varepsilon_{Tij}, \varepsilon_{Cij})$

$$r_{Tij} = \mu + \beta_i + \tau + \varepsilon_{Tij}, \quad r_{Cij} = \mu + \beta_i + \varepsilon_{Cij}, \quad r_{Tij} - r_{Cij} = \tau + \varepsilon_{Tij} - \varepsilon_{Cij},$$

- **Treated-minus-control pair difference** in block  $i$  is  $r_{Tij} - r_{Cij} = \tau + \varepsilon_{Tij} - \varepsilon_{Cij}$  is symmetric about  $\tau$ . Numerical work takes  $1 = \sqrt{\text{var}(\varepsilon_{Tij} - \varepsilon_{Cij})}$  and  $\tau = 1/2$ .
- Imagine the **study is unaffected by unmeasured bias** (i.e., ignorable given  $\mathbf{x}$ ), so that  $1/J = \theta_{ij} = \Pr(Z_{ij} = 1 \mid r_{Tij}, r_{Cij}, \mathbf{x}_{ij}, \sum Z_{ik} = 1)$ ,  $\forall i, j$ .
- If  $\tau \neq 0$ , then it is in precisely this sort of case (a so-called **favorable situation**) that you hope to report insensitivity to unmeasured biases. Will you?

# Design Sensitivity and Bahadur Efficiency Under a Favorable Model

---

- Test no effect,  $H_0$ , with bias  $\leq \Gamma$  versus a simple  $H_A$  from a favorable model.

## Design Sensitivity and Bahadur Efficiency Under a Favorable Model

---

- Test no effect,  $H_0$ , with bias  $\leq \Gamma$  versus a simple  $H_A$  from a favorable model.
- For fixed  $\Gamma$ , with  $I$  blocks, and a required power  $\omega = 0.9$ , there is a level of the test,  $\alpha_{\Gamma I}$ , that achieves that power. For  $\Gamma = 1$ , that is the level of the randomization test. For large  $\Gamma$ , that level might be close to 1.

## Design Sensitivity and Bahadur Efficiency Under a Favorable Model

---

- Test no effect,  $H_0$ , with bias  $\leq \Gamma$  versus a simple  $H_A$  from a favorable model.
- For fixed  $\Gamma$ , with  $I$  blocks, and a required power  $\omega = 0.9$ , there is a level of the test,  $\alpha_{\Gamma I}$ , that achieves that power. For  $\Gamma = 1$ , that is the level of the randomization test. For large  $\Gamma$ , that level might be close to 1.
- Want  $\alpha_{\Gamma I} \rightarrow 0$  as fast as possible as  $I \rightarrow \infty$ . Ultimately,  $\omega$  does not matter.

# Design Sensitivity and Bahadur Efficiency Under a Favorable Model

---

- Test no effect,  $H_0$ , with bias  $\leq \Gamma$  versus a simple  $H_A$  from a favorable model.
- For fixed  $\Gamma$ , with  $I$  blocks, and a required power  $\omega = 0.9$ , there is a level of the test,  $\alpha_{\Gamma I}$ , that achieves that power. For  $\Gamma = 1$ , that is the level of the randomization test. For large  $\Gamma$ , that level might be close to 1.
- Want  $\alpha_{\Gamma I} \rightarrow 0$  as fast as possible as  $I \rightarrow \infty$ . Ultimately,  $\omega$  does not matter.
- There is (typically) a number,  $\tilde{\Gamma}$  called the design sensitivity, such that, as  $I \rightarrow \infty$ :

$$\alpha_{\Gamma I} \rightarrow 0 \text{ for } \Gamma < \tilde{\Gamma}, \quad \alpha_{\Gamma I} \rightarrow 1 \text{ for } \Gamma > \tilde{\Gamma}.$$

# Design Sensitivity and Bahadur Efficiency Under a Favorable Model

---

- Test no effect,  $H_0$ , with bias  $\leq \Gamma$  versus a simple  $H_A$  from a favorable model.
- For fixed  $\Gamma$ , with  $I$  blocks, and a required power  $\omega = 0.9$ , there is a level of the test,  $\alpha_{\Gamma I}$ , that achieves that power. For  $\Gamma = 1$ , that is the level of the randomization test. For large  $\Gamma$ , that level might be close to 1.
- Want  $\alpha_{\Gamma I} \rightarrow 0$  as fast as possible as  $I \rightarrow \infty$ . Ultimately,  $\omega$  does not matter.
- There is (typically) a number,  $\tilde{\Gamma}$  called the design sensitivity, such that, as  $I \rightarrow \infty$ :

$$\alpha_{\Gamma I} \rightarrow 0 \text{ for } \Gamma < \tilde{\Gamma}, \quad \alpha_{\Gamma I} \rightarrow 1 \text{ for } \Gamma > \tilde{\Gamma}.$$

- If  $\Gamma < \tilde{\Gamma}$  there is (typically) a Bahadur slope  $\rho_{\Gamma}/2 > 0$  such that

$$\rho_{\Gamma} = -\lim_{I \rightarrow \infty} \frac{\log(\alpha_{\Gamma I})}{I} \quad \text{so that} \quad \alpha_{\Gamma I} \approx \exp(-I\rho_{\Gamma}) \text{ as } I \rightarrow \infty.$$

# Design Sensitivity and Bahadur Efficiency Under a Favorable Model

---

- Test no effect,  $H_0$ , with bias  $\leq \Gamma$  versus a simple  $H_A$  from a favorable model.
- For fixed  $\Gamma$ , with  $I$  blocks, and a required power  $\omega = 0.9$ , there is a level of the test,  $\alpha_{\Gamma I}$ , that achieves that power. For  $\Gamma = 1$ , that is the level of the randomization test. For large  $\Gamma$ , that level might be close to 1.
- Want  $\alpha_{\Gamma I} \rightarrow 0$  as fast as possible as  $I \rightarrow \infty$ . Ultimately,  $\omega$  does not matter.
- There is (typically) a number,  $\tilde{\Gamma}$  called the design sensitivity, such that, as  $I \rightarrow \infty$ :

$$\alpha_{\Gamma I} \rightarrow 0 \text{ for } \Gamma < \tilde{\Gamma}, \quad \alpha_{\Gamma I} \rightarrow 1 \text{ for } \Gamma > \tilde{\Gamma}.$$

- If  $\Gamma < \tilde{\Gamma}$  there is (typically) a Bahadur slope  $\rho_{\Gamma}/2 > 0$  such that

$$\rho_{\Gamma} = -\lim_{I \rightarrow \infty} \frac{\log(\alpha_{\Gamma I})}{I} \quad \text{so that} \quad \alpha_{\Gamma I} \approx \exp(-I\rho_{\Gamma}) \text{ as } I \rightarrow \infty.$$

- The ratio of two Bahadur slopes is the Bahadur (1960) relative efficiency. Better than Pitman efficiency for observational studies because Pitman lets  $\tau \rightarrow 0$  as  $I \rightarrow \infty$ .

## Some Design Sensitivities

---

- What you saw in the example happens in the limit as  $I \rightarrow \infty$  for the block model with Normal errors.

Table: Design sensitivity  $\tilde{\Gamma}$  with Normal errors and  $\tau = 1/2$  of the standard deviation of a treated-minus-control pair difference. The best result in each situation is in **bold**.

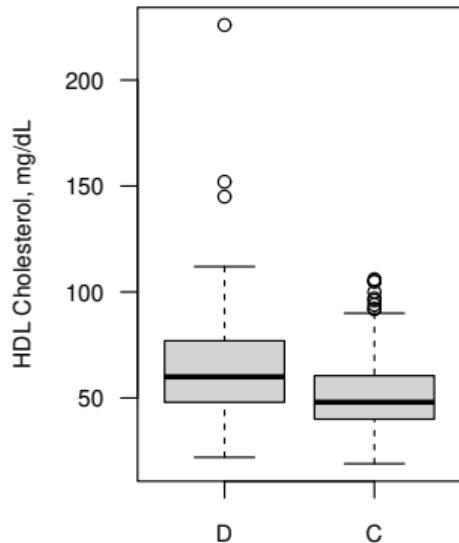
		Wilcoxon	Quade	U868	U878
$J = 2$	Pairs	2.2	3.2	4.2	<b>5.1</b>
$J = 4$	1-to-3 Blocks	3.5	4.4	5.2	<b>5.7</b>

- Results for  $\tau = 1/3$  have smaller  $\tilde{\Gamma}$ , but a similar pattern. E.g., Quade has  $\tilde{\Gamma} = 2.1$  for  $J = 2$  and  $\tilde{\Gamma} = 2.8$  for  $J = 4$ , while U878 has  $\tilde{\Gamma} = 2.8$  for  $J = 2$  and  $\tilde{\Gamma} = 3.2$  for  $J = 4$ .
- Results for  $\tau = 1/2$  and errors with a  $t_5$ -distribution are similar.

Table: **Efficiency at  $\Gamma = 2$ .** Comparing Block Sizes  $J = 2$  to  $J = 4$  in a sensitivity analysis. Top half is pure block size. Bottom half is block size plus change in test statistic.

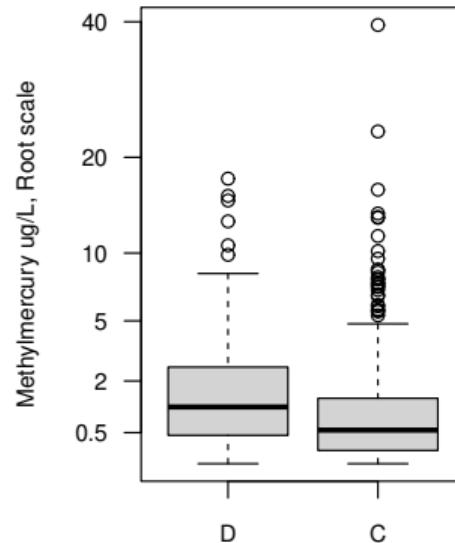
Sensitivity Analysis Performed with $\Gamma = 2$				
$J$	$\tau = 1/2$		$\tau = 1/3$	
	Normal	$t_5$	Normal	$t_5$
U868 compared to U868 at $J = 2$				
2	1.00	1.00	1.00	1.00
3	1.37	1.23	2.14	1.66
4	1.83	1.63	3.07	2.29
U868 compared to SRS at $J = 2$				
2	1.58	1.26	8.08	3.05
3	2.16	1.55	17.26	5.07
4	2.89	2.04	24.81	6.98

HDL Cholesterol (200 blocks)



D=daily, C=control

Methylmercury (200 blocks)



D=daily, C=control; root scale

Figure: Right panel tests the conjunction of  $H_0 : \theta = \bar{\theta}$  (or equivalently  $H_0 : \theta \in B_1$ ) and no effect on methylmercury, rejecting it with a  $P$ -value too small to calculate using Quade's statistic.

## Unaffected Outcomes

---

- What should we make of the evidence from methylmercury of biased treatment assignment evident,  $\theta \neq \bar{\theta}$ , where  $\bar{\theta}_{ij} = 1/J, \forall i, j$  and  $B_1 = \{\bar{\theta}\}$ ?

## Unaffected Outcomes

---

- What should we make of the evidence from methylmercury of biased treatment assignment evident,  $\theta \neq \bar{\theta}$ , where  $\bar{\theta}_{ij} = 1/J$ ,  $\forall i, j$  and  $B_1 = \{\bar{\theta}\}$ ?
- To avoid many possible combinations, will do two-sided, 0.05-level Quade's tests for both effect and bias. (This is intended to be simple and not distracting, rather than optimal (e.g., see Table 3 in R 2023 Stat. Sci.).

## Unaffected Outcomes

---

- What should we make of the evidence from methylmercury of biased treatment assignment evident,  $\theta \neq \bar{\theta}$ , where  $\bar{\theta}_{ij} = 1/J, \forall i, j$  and  $B_1 = \{\bar{\theta}\}$ ?
- To avoid many possible combinations, will do two-sided, 0.05-level Quade's tests for both effect and bias. (This is intended to be simple and not distracting, rather than optimal (e.g., see Table 3 in R 2023 Stat. Sci.).
- Using the 200 blocks with methylmercury levels (rather than all 406 blocks), rejection of no effect on HDL cholesterol level becomes sensitive at  $\Gamma = 3.614$ . No  $\theta \in B_{3.614}$  would lead to a  $P$ -value above 0.05. (Was  $B_{4.5}$  for  $I = 406$ .)

## Unaffected Outcomes

---

- What should we make of the evidence from methylmercury of biased treatment assignment evident,  $\theta \neq \bar{\theta}$ , where  $\bar{\theta}_{ij} = 1/J, \forall i, j$  and  $B_1 = \{\bar{\theta}\}$ ?
- To avoid many possible combinations, will do two-sided, 0.05-level Quade's tests for both effect and bias. (This is intended to be simple and not distracting, rather than optimal (e.g., see Table 3 in R 2023 Stat. Sci.).
- Using the 200 blocks with methylmercury levels (rather than all 406 blocks), rejection of no effect on HDL cholesterol level becomes sensitive at  $\Gamma = 3.614$ . No  $\theta \in B_{3.614}$  would lead to a  $P$ -value above 0.05. (Was  $B_{4.5}$  for  $I = 406$ .)
- In parallel, using the same people in the same blocks, no  $\theta \in B_{1.993}$  is plausible if alcohol does not affect methylmercury levels, having been rejected in a 0.05 level test.

## Unaffected Outcomes

---

- What should we make of the evidence from methylmercury of biased treatment assignment evident,  $\theta \neq \bar{\theta}$ , where  $\bar{\theta}_{ij} = 1/J, \forall i, j$  and  $B_1 = \{\bar{\theta}\}$ ?
- To avoid many possible combinations, will do two-sided, 0.05-level Quade's tests for both effect and bias. (This is intended to be simple and not distracting, rather than optimal (e.g., see Table 3 in R 2023 Stat. Sci.).
- Using the 200 blocks with methylmercury levels (rather than all 406 blocks), rejection of no effect on HDL cholesterol level becomes sensitive at  $\Gamma = 3.614$ . No  $\theta \in B_{3.614}$  would lead to a  $P$ -value above 0.05. (Was  $B_{4.5}$  for  $I = 406$ .)
- In parallel, using the same people in the same blocks, no  $\theta \in B_{1.993}$  is plausible if alcohol does not affect methylmercury levels, having been rejected in a 0.05 level test.
- The sensitivity analysis for HDL cholesterol doesn't require amendment, but it does leave us wondering about  $\theta \in B_{3.614} - B_{1.993}$ ; i.e., in  $B_{3.614}$  but not in  $B_{1.993}$ .

## Gaps Between Tests for Bias and Sensitivity Analyses

---

- Part of the boundary of  $B_{3.614}$  is troublesome, because there is a  $\theta \in B_{3.615}$  that would lead us to accept no effect of alcohol on HDL cholesterol. Call these **troublesome boundary points**  $\mathcal{J}$ . What does methylmercury say about the troublesome boundary points  $\mathcal{J}$ ?

## Gaps Between Tests for Bias and Sensitivity Analyses

---

- Part of the boundary of  $B_{3.614}$  is troublesome, because there is a  $\theta \in B_{3.615}$  that would lead us to accept no effect of alcohol on HDL cholesterol. Call these **troublesome boundary points**  $\mathcal{J}$ . What does methylmercury say about the troublesome boundary points  $\mathcal{J}$ ?
- We would like to say: “no  $\theta \in \mathcal{J}$  is plausible.” That would mean that the HDL cholesterol comparison isn’t sensitive at  $\Gamma = 3.614$  after all, but only to a larger  $\Gamma$ . If this were true, say that there is **no gap** between the test for bias using methylmercury and the sensitivity analysis for HDL cholesterol.

# Gaps Between Tests for Bias and Sensitivity Analyses

---

- Part of the boundary of  $B_{3.614}$  is troublesome, because there is a  $\theta \in B_{3.615}$  that would lead us to accept no effect of alcohol on HDL cholesterol. Call these **troublesome boundary points**  $\mathcal{J}$ . What does methylmercury say about the troublesome boundary points  $\mathcal{J}$ ?
- We would like to say: “no  $\theta \in \mathcal{J}$  is plausible.” That would mean that the HDL cholesterol comparison isn’t sensitive at  $\Gamma = 3.614$  after all, but only to a larger  $\Gamma$ . If this were true, say that there is **no gap** between the test for bias using methylmercury and the sensitivity analysis for HDL cholesterol.
- We can **test each of the troublesome**  $\theta \in \mathcal{J}$  using the methylmercury data. When we do this, the maximum  $P$ -value testing  $H_0 : \theta = \theta_0$  for  $\theta_0 \in \mathcal{J}$  is  $1.17 \times 10^{-7}$ .

## Gaps Between Tests for Bias and Sensitivity Analyses

---

- Part of the boundary of  $B_{3.614}$  is troublesome, because there is a  $\theta \in B_{3.615}$  that would lead us to accept no effect of alcohol on HDL cholesterol. Call these **troublesome boundary points**  $\mathcal{J}$ . What does methylmercury say about the troublesome boundary points  $\mathcal{J}$ ?
- We would like to say: “no  $\theta \in \mathcal{J}$  is plausible.” That would mean that the HDL cholesterol comparison isn’t sensitive at  $\Gamma = 3.614$  after all, but only to a larger  $\Gamma$ . If this were true, say that there is **no gap** between the test for bias using methylmercury and the sensitivity analysis for HDL cholesterol.
- We can **test each of the troublesome**  $\theta \in \mathcal{J}$  using the methylmercury data. When we do this, the maximum  $P$ -value testing  $H_0 : \theta = \theta_0$  for  $\theta_0 \in \mathcal{J}$  is  $1.17 \times 10^{-7}$ .
- The troublesome biases  $\theta \in \mathcal{J}$  are not plausible; so, there is **no gap**, and  $\Gamma$  must be larger than  $\Gamma = 3.614$  to explain the higher HDL cholesterol levels of light daily drinkers. The evident bias in methylmercury **strengthened** the causal claim.

## Confidence Set for $\theta$ ; Informed Sensitivity Analyses

---

- What if we tested all  $\theta$ 's? Let  $\Theta$  be the set of all  $\theta_0$ 's such that: (i)  $1 = \sum_{j=1}^J \theta_{0ij}$ , (ii)  $0 \leq \theta_{0ij} \leq 1$ , and (iii) the test using methylmercury does not reject  $H_0 : \theta = \theta_0$  at the 0.05 level. An infinite set of  $IJ$  dimensional  $\theta_0$ 's.

## Confidence Set for $\theta$ ; Informed Sensitivity Analyses

---

- What if we tested all  $\theta$ 's? Let  $\Theta$  be the set of all  $\theta_0$ 's such that: (i)  $1 = \sum_{j=1}^J \theta_{0ij}$ , (ii)  $0 \leq \theta_{0ij} \leq 1$ , and (iii) the test using methylmercury does not reject  $H_0 : \theta = \theta_0$  at the 0.05 level. An infinite set of  $IJ$  dimensional  $\theta_0$ 's.
- A sensitivity analysis is **informed by a test for bias** if it is confined to  $\theta \in B_\Gamma \cap \Theta$ :

$$P'_\Gamma = \max_{\theta \in B_\Gamma \cap \Theta} \sum_{\mathbf{z} \in \mathcal{Z}} \left[ \sum_i \varphi(w_i) \sum_j z_{ij} q_{ij} \geq t \right] \prod_i \prod_j \theta_{ij}^{z_{ij}}$$

instead of  $P_\Gamma = \max_{\theta \in B_\Gamma} \sum_{\mathbf{z} \in \mathcal{Z}} \left[ \sum_i \varphi(w_i) \sum_j z_{ij} q_{ij} \geq t \right] \prod_i \prod_j \theta_{ij}^{z_{ij}}$

## Confidence Set for $\theta$ ; Informed Sensitivity Analyses

---

- What if we tested all  $\theta$ 's? Let  $\Theta$  be the set of all  $\theta_0$ 's such that: (i)  $1 = \sum_{j=1}^J \theta_{0ij}$ , (ii)  $0 \leq \theta_{0ij} \leq 1$ , and (iii) the test using methylmercury does not reject  $H_0 : \theta = \theta_0$  at the 0.05 level. An infinite set of  $IJ$  dimensional  $\theta_0$ 's.
- A sensitivity analysis is **informed by a test for bias** if it is confined to  $\theta \in B_\Gamma \cap \Theta$ :

$$P'_\Gamma = \max_{\theta \in B_\Gamma \cap \Theta} \sum_{\mathbf{z} \in \mathcal{Z}} \left[ \sum_i \varphi(w_i) \sum_j z_{ij} q_{ij} \geq t \right] \prod_i \prod_j \theta_{ij}^{z_{ij}}$$

instead of  $P_\Gamma = \max_{\theta \in B_\Gamma} \sum_{\mathbf{z} \in \mathcal{Z}} \left[ \sum_i \varphi(w_i) \sum_j z_{ij} q_{ij} \geq t \right] \prod_i \prod_j \theta_{ij}^{z_{ij}}$

- Always,  $P'_\Gamma \leq P_\Gamma$ . For HDL cholesterol,  $P_{3.614} = 0.05 = P'_{3.82}$ .

## Confidence Set for $\theta$ ; Informed Sensitivity Analyses

---

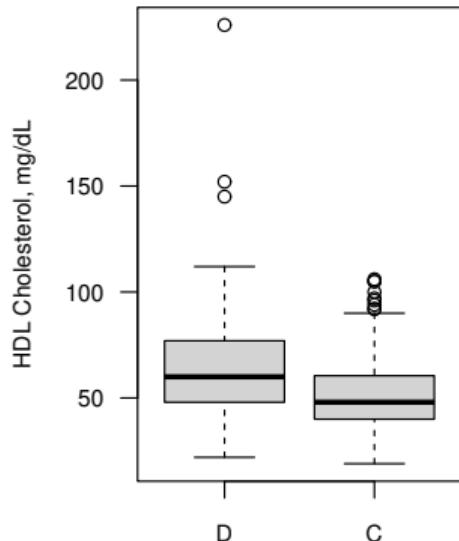
- What if we tested all  $\theta$ 's? Let  $\Theta$  be the set of all  $\theta_0$ 's such that: (i)  $1 = \sum_{j=1}^J \theta_{0ij}$ , (ii)  $0 \leq \theta_{0ij} \leq 1$ , and (iii) the test using methylmercury does not reject  $H_0 : \theta = \theta_0$  at the 0.05 level. An infinite set of  $IJ$  dimensional  $\theta_0$ 's.
- A sensitivity analysis is **informed by a test for bias** if it is confined to  $\theta \in B_\Gamma \cap \Theta$ :

$$P'_\Gamma = \max_{\theta \in B_\Gamma \cap \Theta} \sum_{\mathbf{z} \in \mathcal{Z}} \left[ \sum_i \varphi(w_i) \sum_j z_{ij} q_{ij} \geq t \right] \prod_i \prod_j \theta_{ij}^{z_{ij}}$$

instead of  $P_\Gamma = \max_{\theta \in B_\Gamma} \sum_{\mathbf{z} \in \mathcal{Z}} \left[ \sum_i \varphi(w_i) \sum_j z_{ij} q_{ij} \geq t \right] \prod_i \prod_j \theta_{ij}^{z_{ij}}$

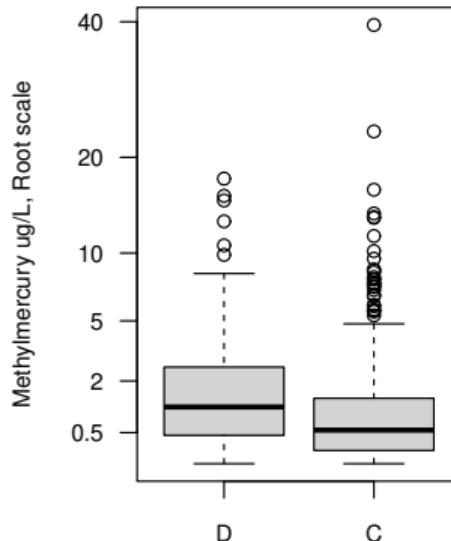
- Always,  $P'_\Gamma \leq P_\Gamma$ . For HDL cholesterol,  $P_{3.614} = 0.05 = P'_{3.82}$ .
- $\Gamma = 3.614$  is  $(\Lambda, \Delta) = (6, 8.7)$ , while  $\Gamma = 3.82$  is  $(\Lambda, \Delta) = (6, 10.1)$ .

HDL Cholesterol (200 blocks)



D=daily, C=control

Methylmercury (200 blocks)



D=daily, C=control; root scale

Figure: Summary:  $\theta \neq \bar{\theta}$  from right. The smallest  $\Gamma$  explaining the right is too small to explain the left. The smallest  $\Gamma$  that explains both sides is larger than the smallest  $\Gamma$  that explains the left.

## Summary

---

- Unmeasured biases are present in observational studies, but they may not be debilitating.

## Summary

---

- Unmeasured biases are present in observational studies, but they may not be debilitating.
- Statistical theory can aid in avoiding mistakes that exaggerate the sensitivity to unmeasured biases. Large mistakes are possible in design and analysis.

## Summary

---

- Unmeasured biases are present in observational studies, but they may not be debilitating.
- Statistical theory can aid in avoiding mistakes that exaggerate the sensitivity to unmeasured biases. Large mistakes are possible in design and analysis.
- Design sensitivity and Bahadur efficiency of a sensitivity analysis are two tools that guide design and analysis.

## Summary

---

- Unmeasured biases are present in observational studies, but they may not be debilitating.
- Statistical theory can aid in avoiding mistakes that exaggerate the sensitivity to unmeasured biases. Large mistakes are possible in design and analysis.
- Design sensitivity and Bahadur efficiency of a sensitivity analysis are two tools that guide design and analysis.
- Evidence of biased treatment assignment may increase insensitivity to unmeasured bias.

## Some references

---

- *Introduction to the Theory of Observational Studies*, Springer 2025.
- Bahadur efficiency of observational block designs. *JASA*, 2024;119:1871-1881.
- Can we reliably detect biases that matter in observational studies? *Statist. Sci.* 2023;38:440-457.
- Sensitivity analyses informed by tests for bias in observational studies. *Biometrics* 2023;79:475-487.
- A second evidence factor for a second control group. *Biometrics* 2023;79:3968-3980.
- Design sensitivity in observational studies. *Biometrika* 2004;91:153-164.
- *Design of Observational Studies*, 2<sup>nd</sup> edition, New York: Springer, 2020.
- (with D.B. Rubin) Propensity scores in the design of observational studies for causal effects. *Biometrika*, 2023;110:1-13.

## Understanding $\varphi(\cdot)$ in terms of $\text{abz}(y)$ for $J = 2$

---

- For a single treated-minus-control matched pair difference,  $Y$ ,

$$\text{abz}(y) = \Pr(Y > 0 \mid |Y| = y), \text{ for } y > 0,$$

from Albers, Bickel, van Zwet (1976, AOS, 4, 108-156).

## Understanding $\varphi(\cdot)$ in terms of $abz(y)$ for $J = 2$

---

- For a single treated-minus-control matched pair difference,  $Y$ ,

$$abz(y) = \Pr(Y > 0 \mid |Y| = y), \text{ for } y > 0,$$

from Albers, Bickel, van Zwet (1976, AOS, 4, 108-156).

- Question: Suppose that you could observe an infinite number of pair differences,  $Y_i$ , but only for a single value of  $y$  of  $|Y| = y$ . What  $y$  would you pick?

## Understanding $\varphi(\cdot)$ in terms of $abz(y)$ for $J = 2$

---

- For a single treated-minus-control matched pair difference,  $Y$ ,

$$abz(y) = \Pr(Y > 0 \mid |Y| = y), \text{ for } y > 0,$$

from Albers, Bickel, van Zwet (1976, AOS, 4, 108-156).

- Question: Suppose that you could observe an infinite number of pair differences,  $Y_i$ , but only for a single value of  $y$  of  $|Y| = y$ . What  $y$  would you pick?
- Given that  $|Y| = y$ , a bias of  $\Gamma$  in the absence of a treatment effect cannot produce so many  $Y > y$  if

$$abz(y) > \frac{\Gamma}{\Gamma + 1}.$$

So, the answer is the  $y$  that maximizes  $abz(y)$ . (Rosenbaum 2010 JASA 105, 692-702).

$Y$  is a treated-control pair difference, i.e.  $J=2$

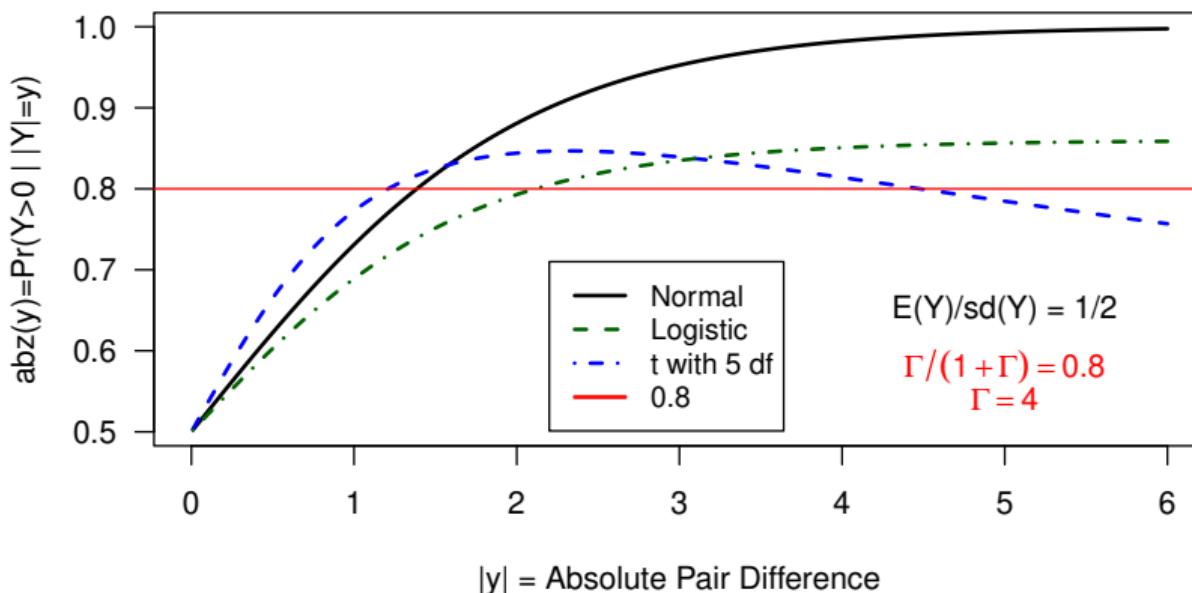


Figure:  $abz(y)$  plotted against  $|y|$  where  $Y - \delta$  is  $N(0,1)$ , logistic, or  $t_5$ , and  $\delta = \sigma/2$  so that  $E(Y)/\sigma = 1/2$  for each distribution, where  $\sigma$  is the standard deviation of  $Y$ .

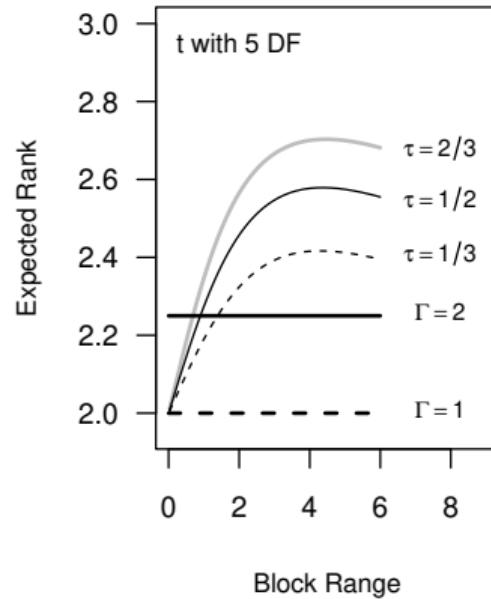
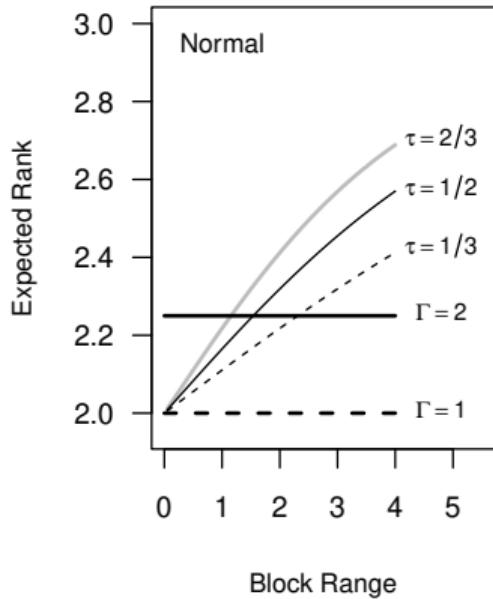


Figure: In 1-to-2 blocks of size  $J = 3$ , the curves show the expected within block rank — 1, 2, or 3 — conditionally given the within block range. Horizontal lines show maximum expectation with a bias of  $\Gamma$  and no treatment effect.

## Adaptive Inference: Use Two $\varphi$ 's

---

- Do two tests with different  $\varphi$ 's, and take the minimum of the two  $P$ -values as a test statistic, obtaining a  $P$ -value from it.
- Berk and Jones (1978) show this is “relatively optimal” in the sense of having the larger Bahadur efficiency of the two tests.
- This also works in sensitivity analyses, where it also has the larger of the two design sensitivities.

Berk, R.H., Jones, D.H. Relatively optimal combinations of test statistics. *Scand J Stat* 1978;5:158-62.

Rosenbaum, P.R. Testing one hypothesis twice ... *Biometrika* 2012;99:763-74.

Rosenbaum, P.R. Bahadur efficiency of observational block designs. *JASA* 2024;119:1871-81.

## Example of Adaptive Inference from weightedRank in R

---

```
library(weightedRank)
wgtRank(y,phi="wilc",gamma=4.5)
pval 0.7400862
wgtRank(y,phi="quade",gamma=4.5)
pval 0.04470762
```

```
Test-twice (tt) at gamma=4.4
wgtRanktt(y,phi1="wilc",phi2="quade",gamma=4.4)
jointP 0.04521279
cor12 0.8686031
Separate p-values
phi1 0.6719488
phi2 0.0312262
```

## Proof of Ignorability Given $\zeta$

---

- Essentially the same as the corresponding result for the propensity score  $e(\mathbf{x})$ .

## Proof of Ignorability Given $\zeta$

---

- Essentially the same as the corresponding result for the propensity score  $e(\mathbf{x})$ .
- **Must show:**  $\Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \zeta)$ .

## Proof of Ignorability Given $\zeta$

---

- Essentially the same as the corresponding result for the propensity score  $e(\mathbf{x})$ .
- **Must show:**  $\Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \zeta)$ .
- **$\zeta$  is by definition**  $\zeta = \Pr(Z = 1 | \mathbf{x}, r_T, r_C)$ , so the task is to show  $\zeta = \Pr(Z = 1 | \zeta)$ .

## Proof of Ignorability Given $\zeta$

---

- Essentially the same as the corresponding result for the propensity score  $e(\mathbf{x})$ .
- **Must show:**  $\Pr(Z = 1|\mathbf{x}, r_T, r_C) = \Pr(Z = 1|\zeta)$ .
- $\zeta$  is **by definition**  $\zeta = \Pr(Z = 1|\mathbf{x}, r_T, r_C)$ , so the task is to show  $\zeta = \Pr(Z = 1|\zeta)$ .
- Also,  $\zeta = \Pr(Z = 1|\mathbf{x}, r_T, r_C)$  **is a function of**  $(\mathbf{x}, r_T, r_C)$ , so

$$\Pr(Z = 1|\mathbf{x}, r_T, r_C) = \Pr(Z = 1|\mathbf{x}, r_T, r_C, \zeta).$$

# Proof of Ignorability Given $\zeta$

---

- Essentially the same as the corresponding result for the propensity score  $e(\mathbf{x})$ .
- **Must show:**  $\Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \zeta)$ .
- $\zeta$  is **by definition**  $\zeta = \Pr(Z = 1 | \mathbf{x}, r_T, r_C)$ , so the task is to show  $\zeta = \Pr(Z = 1 | \zeta)$ .
- Also,  $\zeta = \Pr(Z = 1 | \mathbf{x}, r_T, r_C)$  is a **function of**  $(\mathbf{x}, r_T, r_C)$ , so

$$\Pr(Z = 1 | \mathbf{x}, r_T, r_C) = \Pr(Z = 1 | \mathbf{x}, r_T, r_C, \zeta).$$

- Trivially,

$$\begin{aligned}\Pr(Z = 1 | \zeta) &= \mathbb{E}\{\Pr(Z = 1 | \mathbf{x}, r_T, r_C, \zeta) | \zeta\} \\ &= \mathbb{E}\{\Pr(Z = 1 | \mathbf{x}, r_T, r_C) | \zeta\} = \mathbb{E}(\zeta | \zeta) = \zeta,\end{aligned}$$

as required to complete the proof.

## R Code from weightedRank

---

```
ef2C(hd13, gamma=4, upsilon = 3.75)$pvals
TreatedVSControl 0.11069568
Control2vsOthers 0.11173143
Combined 0.04667447

p1=dwgtRank(hd13[,1:2],gamma=4,m=8, m1=7, m2=8)$pval

p2=dwgtRank(hd13[,3:1],gamma=3.75,alternative="less",m=8,m1=8,m2=8,
range=FALSE,scores=c(1,2,5))$pval

c(p1,p2)
0.1106957 0.1117314
sensitivitymv::truncatedP(c(p1,p2))
0.04667447
```

## Bahadur Efficiencies for Pairs, $J = 2$

---

Table: Efficiency of a sensitivity analysis at  $\Gamma$  vs. **U868** with Normal errors and  $\tau = 1/2$  of the standard deviation of a treated-minus-control pair difference. The best result is in **bold**.

		Normal Errors, Paired Data, $J = 2$			
		Wilcoxon	Quade	U868	U878
$\Gamma$	$\tilde{\Gamma}$	2.2	3.2	4.2	5.1
1		0.72	<b>1.05</b>	1.00	0.92
1.5		0.36	0.86	<b>1.00</b>	<b>1.00</b>
2		0.06	0.63	1.00	<b>1.11</b>
3		0.00	0.05	1.00	<b>1.70</b>
4		0.00	0.00	1.00	<b>15.56</b>

- By definition, efficiency of U868 is 1.00.
- Quade=Wilcoxon's signed rank best at  $\Gamma = 1$ , but not at  $\Gamma = 1.5$ .

## Bahadur Efficiencies for 1-to-3 Blocks, $J = 4$

---

Table: Efficiency **relative to U868** with Normal errors and  $\tau = 1/2$  of the standard deviation of a treated-minus-control pair difference. The best result is in **bold**.

$\Gamma$	$\tilde{\Gamma}$	Normal Errors, 1-to-3 Blocks, $J = 4$			
		Wilcoxon	Quade	U868	U878
1		3.5	4.4	5.2	<b>5.7</b>
1.5		1.08	<b>1.21</b>	1.00	0.85
2		0.83	<b>1.11</b>	1.00	0.89
3		0.58	<b>1.01</b>	1.00	0.93
4		0.15	0.76	1.00	<b>1.04</b>
		0.00	0.23	1.00	<b>1.41</b>

- Quade's statistic does well for  $\Gamma \leq 2$  but falls behind for  $\Gamma \geq 3$ .

## $J > 2$ Needs a Larger $\Gamma$ Than $J = 2$ to Produce the Same Mean

---

- In the favorable situation, Treated are  $N(1/2, 1)$ , Controls are  $N(0, 1)$  in  $I = 100,000$  blocks of size  $J = 4$ .
- In the unfavorable situations, order statistics from the one treated individual and  $J - 1$  of the controls are reallocated to “treatment” or “control” under the sensitivity model with  $\theta_{ij}$  that maximize the “treated” group’s expectation for  $\Gamma = 2.5$ .

Situation	T-mean	C-mean	Difference	T-sd	C-sd	Stand-diff
Favorable, $J = 4$	0.50	0.00	0.50	1.00	1.00	0.35
Unfavorable, $J = 4$	0.45	0.02	0.43	1.02	1.00	0.30
Unfavorable, $J = 2$	0.50	0.00	0.51	1.00	1.00	0.36

# Randomized Trials of Alcohol and HDL-C

---

- Haskell, W.L. et al, 1984. The effect of cessation and resumption of moderate alcohol intake on serum high-density-lipoprotein subfractions: A controlled study. *New England Journal of Medicine*, 310(13), pp.805-810.
- Burr, M.L. et. al, 1986. Alcohol and high-density-lipoprotein cholesterol: A randomized controlled trial. *British Journal of Nutrition*, 56(1), pp.81-86.
- Gepner, Y. et al, 2015. Effects of initiating moderate alcohol intake on cardiometabolic risk in adults with type 2 diabetes: a 2-year randomized, controlled trial. *Annals of Internal Medicine*, 163(8), pp.569-579.