



# Being Realistic About Unmeasured Biases in Observational Studies

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January 2026

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- 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.

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- The example has **several control groups**, so the logic of several control groups will be briefly discussed.

# Derived from:

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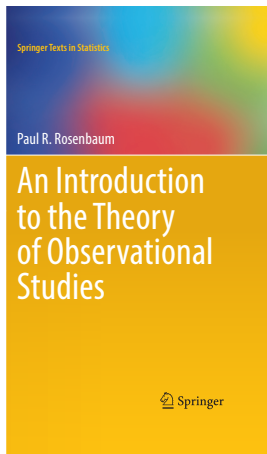


Figure: Data in R package iTOS.

## Some General Theses

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- 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

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- 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.

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- 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)

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- Take a moment and think about people in these groups.

# Observational Block Design

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

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- **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	<b>34</b>	34		57	57		<b>4.1</b>	4.1	
N	1536	406	1130	<b>71</b>	34	84	51	57	50	3.2	3.8	2.9
R	1237	406	831	<b>72</b>	34	90	53	56	51	3.4	3.9	3.2
B	914	406	508	<b>29</b>	34	25	54	56	53	3.1	3.9	<b>2.5</b>

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- **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).

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- **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?



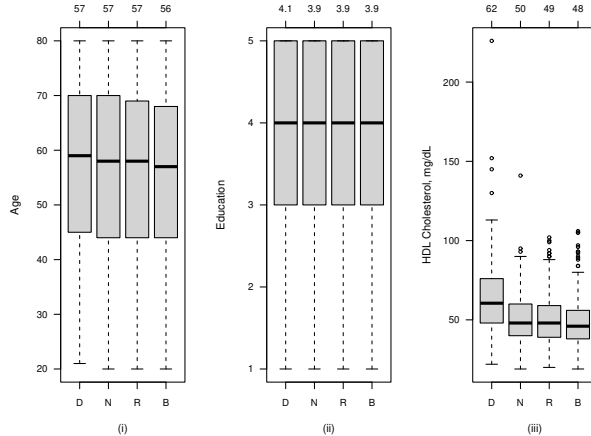


Figure:  $I = 406$  matched blocks. Each group is 33.7% female. M-estimates of location are at the top. D = daily drinking, N = never, R = rare, B = formerly a frequent binge drinker. 6 Pairwise Holm comparisons: D-vs-each control,  $P \leq 10^{-16}$ , each control-vs-control,  $P \geq 0.21$ .

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- Tests use Friedman or Cochran Q

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

Variable		Alcohol Group				P-value
D=daily, N=never, R=rarely, B=past binge		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

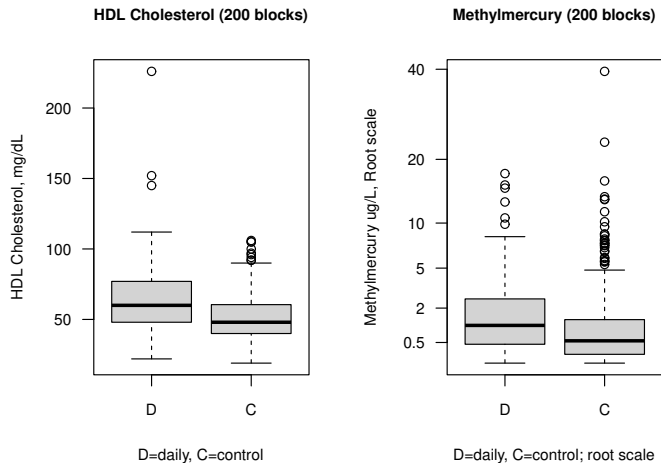


Figure: 200 blocks with methylmercury data.  $\sqrt{y}$  scale on right. Control groups are merged.

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- **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 ...

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- 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.

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- 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  $\mathbf{h}(\cdot)$ .

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- Importantly,  $\zeta = \Pr(Z = 1 \mid r_T, r_C, \mathbf{x})$  is a **function of**  $(r_T, r_C, \mathbf{x})$ .



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- Create  $I$  non-overlapping blocks matched for  $\mathbf{h}(\mathbf{x})$ ,

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- 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  $i$ .
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- 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).

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- 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  $k \neq i$

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

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

## Sensitivity Analysis in Terms of $\zeta$

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

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 $\zeta = \Pr(Z = 1 \mid r_t, r_c, \mathbf{x})$

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

is the same as

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- **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.

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- 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.

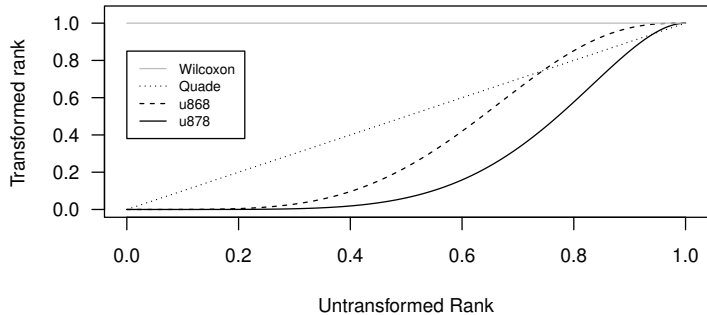


Figure: Four weight functions  $\varphi(w)$  of the block ranges.

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

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

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

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- 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  $T = \sum_i \varphi(\mathbf{w}_i) \sum_j Z_{ij} q_{ij}$  and  $\Pr(\mathbf{Z} = \mathbf{z} | \mathcal{F}, \mathcal{Z}) = \prod_i \prod_j \theta_{ij}^{z_{ij}}$ .

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

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## 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>

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- 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**.

	406 1-to-1 Pairs				271 1-to-3 Blocks			
$\Gamma$	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

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- 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

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- 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 $\Gamma = 2$				
	$\tau = 1/2$		$\tau = 1/3$	
$J$	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

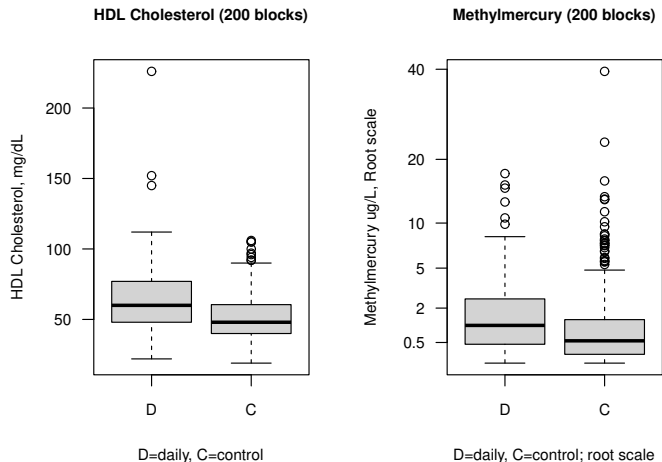


Figure: **Right panel tests the conjunction** of  $H_0 : \theta = \bar{\theta}$  (or equivalently  $H_0 : \theta \in B_1$ ) and no effect on methylmercury, rejecting it with a  $P$ -value too small to calculate using Quade's statistic.

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---

- 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  $B_1 = \{\bar{\theta}\}$ ?

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- 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  $I = 406$ .)

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- 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

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- 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  $\mathcal{J}$ ?

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- 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

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- 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.

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- $\Gamma = 3.614$  is  $(\Lambda, \Delta) = (6, 8.7)$ , while  $\Gamma = 3.82$  is  $(\Lambda, \Delta) = (6, 10.1)$ .



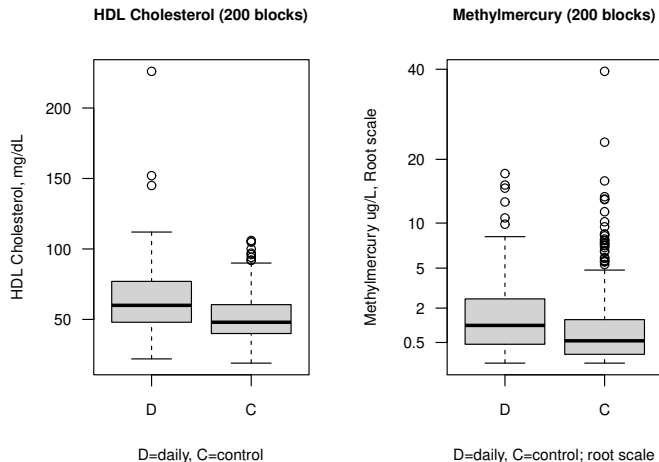


Figure: **Summary:**  $\theta \neq \bar{\theta}$  from right. The smallest  $\Gamma$  explaining the right is too small to explain the left. The smallest  $\Gamma$  that explains both sides is larger than the smallest  $\Gamma$  that explains the left.

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## Some references

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## 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).

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- 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

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

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

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

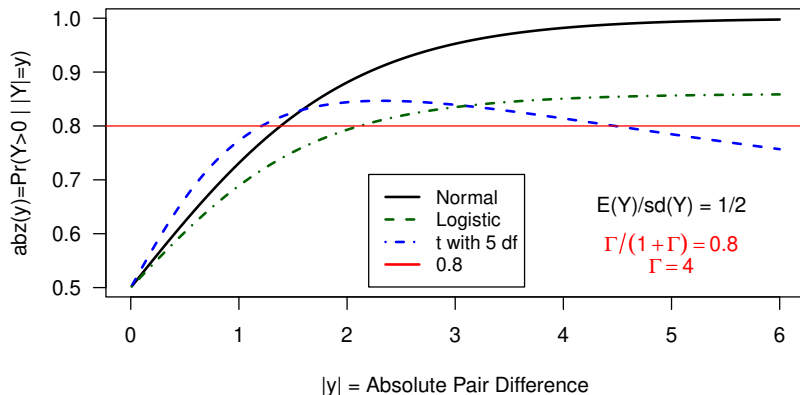


Figure:  $abz(y)$  plotted against  $|y|$  where  $Y - \delta$  is  $N(0,1)$ , logistic, or  $t_5$ , and  $\delta = \sigma/2$  so that  $E(Y)/\sigma = 1/2$  for each distribution, where  $\sigma$  is the standard deviation of  $Y$ .

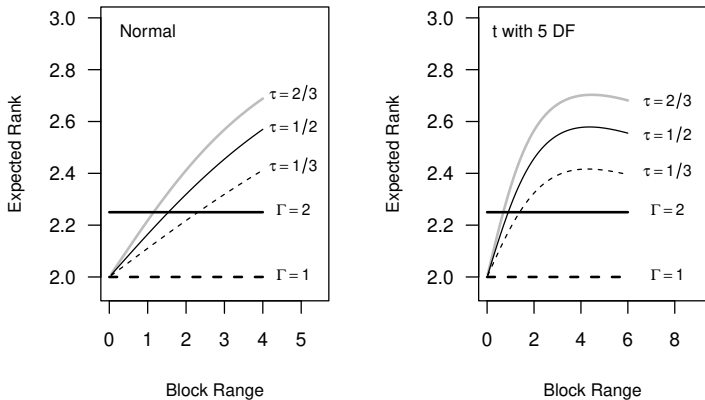


Figure: In 1-to-2 blocks of size  $J = 3$ , the curves show the expected within block rank — 1, 2, or 3 — conditionally given the within block range. Horizontal lines show maximum expectation with a bias of  $\Gamma$  and no treatment effect.

## 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 $\zeta$

---

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- Also,  $\zeta = \Pr(Z = 1|\mathbf{x}, r_T, r_C)$  **is a function of**  $(\mathbf{x}, r_T, r_C)$ , so

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- Trivially,

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

as required to complete the proof.

## R Code from weightedRank

---

```
ef2C(hd13,gamma=4,upsilon = 3.75)$pvals
```

```
TreatedVSControl1 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	<b>5.1</b>
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**.

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

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- 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.
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