Students often receive job offers from the sponsor at the project's conclusion.

The academic year ends with all the forty or so Mathematics and Engineering Clinics projects presenting their results at a professional-level meeting called Projects Day. Projects Day attracts some 400 people and presents a great opportunity to recruit projects for the following year.

To create a viable *Clinic* program, these questions must be answered:

- What makes a good *Clinic* project?
- How well can undergrads handle open-ended projects?
- What exactly is the role of the faculty advisor?
- How are faculty advisors recruited?
- How are sponsors recruited?

Several indicators show that HMC has successfully answered these questions: To date (1973 –2010), the HMC *Mathematics Clinic* has had 130 projects from 58 sponsors involving 553 students. A large number of sponsors return year after year, and the Math Clinic has inspired other institutions to create similar programs, among them San Jose State University, the University of South Australia, and the Institute for Pure and Applied Mathematics (IPAM) at UCLA.

For detailed project abstracts and other information about the HMC *Math Clinic* program, visit `http://www.math.hmc.edu/clinic`. For further information contact the HMC *Math Clinic* director, Susan Martonosi, at `martonosi@math.hmc.edu` (or at CGU contact Ellis Cumberbatch at `ellis.cumberbatch@cgu.edu`). Institutions wanting to start a *Clinic* program are invited to contact either *Math Clinic* director for advice. Of course the best introduction is for an interested faculty member to go through a complete *Clinic* cycle while on sabbatical leave for a year!

The Cult of Statistical Significance

Reviewed by Olle Häggström

There are excellent evolutionary reasons why we humans have far-reaching abilities to observe the world around us and to draw sensible conclusions about it. But evolution is very far from a perfect optimization algorithm, so it should come as no surprise that our cognitive capacities, too, are far from perfect. One example is our strong tendency to deduce patterns from meaningless noise. Another is our inclination toward overconfidence in our conclusions, as evidenced by studies showing how in certain kinds of situations we are wrong

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about 40 percent of the time about conclusions we claim to be 98 percent sure about [AR].

The scientific method can be seen as an organized attempt to overcome such "bugs" in our search for accurate knowledge about the world around us. One ingredient, which during the course of the twentieth century has permeated all of science to the extent that it is nowadays recognized as indispensable, is mathematical statistics, which helps researchers distinguish between pattern and noise and to quantify how much confidence in our conclusions the data warrant.

There can hardly be any doubt that this development has been of immense benefit to science. All the more interesting, then, that two prominent economists, Stephen Ziliak and Deirdre McCloskey, claim in their recent book *The Cult of Statistical Significance* [ZM] that the reliance on statistical methods has gone too far and turned into a ritual and an obstacle to scientific progress.

A typical situation is the following. A scientist formulates a *null hypothesis*. By means of a *significance test*, she tries to falsify it. The analysis leads

to a *p-value*, which indicates how likely it would have been, if the null hypothesis were true, to obtain data at least as extreme as those she actually got. If the *p-value* is below a certain prespecified threshold (typically 0.01 or 0.05), the result is deemed *statistically significant*, which, although far from constituting a definite disproof of the null hypothesis, counts as evidence against it.

Imagine now that a new drug for reducing blood pressure is being tested and that the fact of the matter is that the drug does have a positive effect (as compared with a placebo) but that the effect is so small that it is of no practical relevance to the patient's health or well-being. If the study involves sufficiently many patients, the effect will nevertheless with high probability be detected, and the study will yield statistical significance. The lesson to learn from this is that in a medical study, statistical significance is not enough—the detected effect also needs to be large enough to be *medically significant*. Likewise, empirical studies in economics (or psychology, geology, etc.) need to consider not only statistical significance but also economic (psychological, geological, etc.) significance.

A major point in *The Cult of Statistical Significance* is the observation that many researchers are so obsessed with statistical significance that they neglect to ask themselves whether the detected discrepancies are large enough to be of any subject-matter significance. Ziliak and McCloskey call this neglect *sizeless science*. They exemplify and discuss instances of sizeless science in, among other disciplines, medicine and psychology, but for obvious reasons they focus most of their attention on economics. In one study, they have gone over all of the 369 papers published in the prestigious journal *American Economic Review* during the 1980s and 1990s that involve regression analysis. In the 1980s, 70 percent of the studied papers committed sizeless science, and in the 1990s this alarming figure had increased to a stunning 79 percent. A number of other kinds of misuse of statistics are considered in the same study, with mostly equally depressing results.

One particular error, which every teacher of mathematical statistics is painfully familiar with, is to conflate the probability of the observed data given the null hypothesis with the probability of the null hypothesis given the data (the latter cannot, of course, be obtained unless we resort to Bayesian statistics, a framework that is still rare in the fields under study). This error, known as the fallacy of the transposed conditional, is discussed in the book but does not appear as a separate item in the *American Economic Review* literature study.
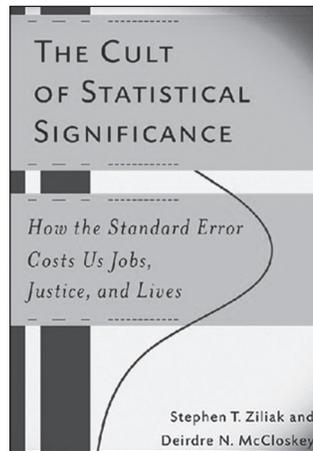
The Cult of Statistical Significance is written in an entertaining and polemical style. Sometimes the authors push their position a bit far, such as when they ask themselves: "If null-hypothesis significance testing is as idiotic as we and its other critics have so long believed, how on earth has it survived?" (p. 240). Granted, the single-minded focus on statistical significance that they label sizeless science is bad practice. Still, to throw out the use of significance tests would be a mistake, considering how often it is a crucial tool for concluding with confidence that what we see really is a pattern, as opposed to just noise. For a data set to provide reasonable evidence of an important deviation from the null hypothesis, we typically need *both* statistical *and* subject-matter significance.

The book also offers a short history of the significance test. Here Ziliak and McCloskey take their polemical style to even further heights in their portrayal of William Gossett (inventor of Student's t-test, the most widely used of all significance tests) as a hero and an angel and of Ronald Fisher (the father of modern mathematical statistics, who arguably did more than anyone else to give significance testing the central role it has today) as pretty much the devil himself. For instance, they make no attempt at concealing their schadenfreude when quoting what Robert Oppenheimer (allegedly) had said upon Fisher's arrival in Berkeley in 1936: "I took one look at him and decided I did not want to meet him" (p. 222).

To sum up, if statistical practice in the empirical sciences is as bad as the authors say, what should be done? No easy fix is offered, but they do advocate a larger degree of pluralism among statistical methods. Here, one would have liked to see them address the danger that this might lead to an increase in a particular kind of misuse of statistics: to tune the choice of statistical approach to the particular data that were obtained. Many of the authors' comments seem to imply a commitment to the Bayesian paradigm, but it is not clear whether they are really aware of this. In any case they never explicitly step out of the Bayesian closet.

References

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