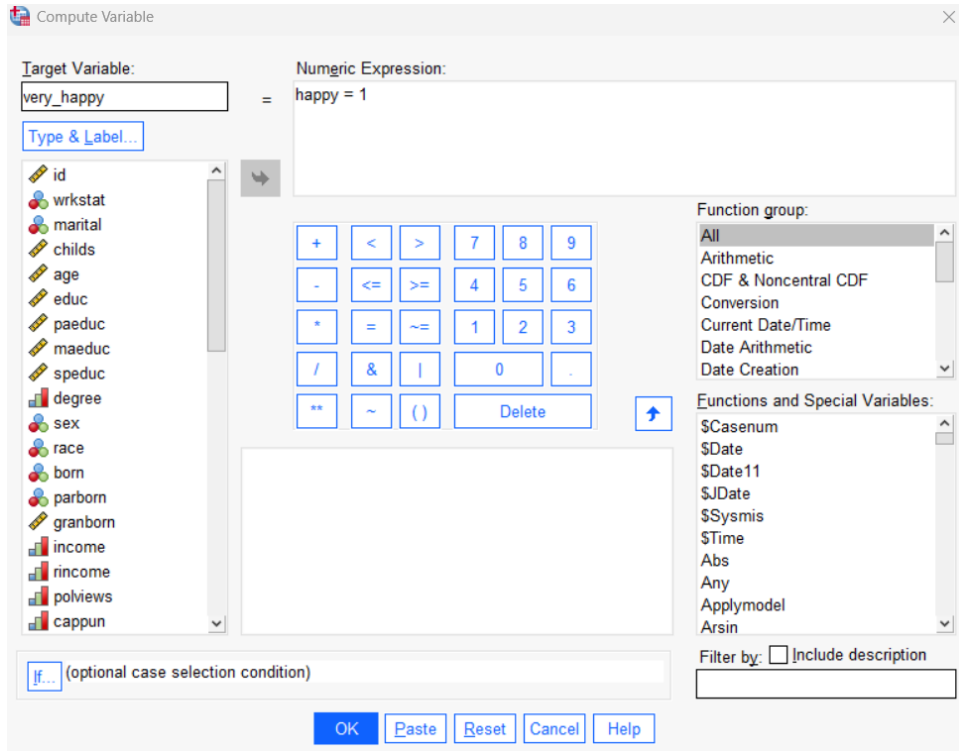# Dummy Coding

What is Dummy Coding?

- We have a categorical variable, and we create new variables from it where categories are represented with a 0 and 1.

- For example, **regression models use numeric variables**. We can dummy code a categorical variable to include in the regression model as an independent variable. We have a categorical variable called 'happy' with the following categories:

  - **Very Happy = create new variable**

  - **Pretty Happy = create new variable**

  - **Not to happy (reference category)**

- In our Regression example, we would create new scale variables for two categories (happy and pretty happy) with 0 and 1. The category 'Not to happy' will be left out and serve as our reference category.

-

General happiness

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very happy	891	31.8	31.8	31.8
	Pretty happy	1575	56.1	56.1	87.9
	Not too happy	340	12.1	12.1	100.0
	Total	2806	100.0	100.0	

very_happy	pretty_happy
.00	1.00
.00	1.00
1.00	.00
1.00	.00
.00	1.00
.00	1.00

VERSION 1

Compute and Syntax

Thank You

For more information
Please visit www.spssanalyticspartner.com