Conditional Expectation

Waaaaaay back when, we said conditioning on an event creates a new probability space, with all the laws holding.

So we can define things like "conditional expectations" which is the expectation of a random variable in that new probability space.

$$\mathbb{E}[X|E] = \sum_{x \in \Omega} x \cdot \mathbb{P}(X = x|E)$$

$$\mathbb{E}[X|Y = y] = \sum_{x \in \Omega_X} x \cdot \mathbb{P}(X = x|Y = y)$$

LTE

You will flip 2 (independent, fair coins). Call the number of heads Y. Then (independently of the coin flips) draw a geometric random variable X from the distribution $\text{Exp}(Y + 1)$.

What is $\mathbb{E}[X]$?

Analogues for continuous

Everything we saw today has a continuous version.

There are "no surprises"– replace pmf with pdf and sums with integrals.

	Discrete	Continuous
Joint PMF/PDF	$p_{X,Y}(x,y) = P(X = x, Y = y)$	$f_{X,Y}(x,y) \neq P(X = x, Y = y)$
Joint CDF	$F_{X,Y}(x,y) = \sum_{t \leq x} \sum_{s \leq y} p_{X,Y}(t,s)$	$F_{X,Y}(x,y) = \int_{-\infty}^{x} \int_{-\infty}^{y} f_{X,Y}(t,s) ds dt$
Normalization	$\sum_x \sum_y p_{X,Y}(x,y) = 1$	$\int_{-\infty}^{\infty} \int_{-\infty}^{\infty} f_{X,Y}(x,y) dx dy = 1$
Marginal PMF/PDF	$p_X(x) = \sum_y p_{X,Y}(x,y)$	$f_X(x) = \int_{-\infty}^{\infty} f_{X,Y}(x,y) dy$
Expectation	$E[g(X,Y)] = \sum_x \sum_y g(x,y) p_{X,Y}(x,y)$	$E[g(X,Y)] = \int_{-\infty}^{\infty} \int_{-\infty}^{\infty} g(x,y) f_{X,Y}(x,y) dx dy$
Conditional PMF/PDF	$p_{X\|Y}(x\|y) = \dfrac{p_{X,Y}(x,y)}{p_Y(y)}$	$f_{X\|Y}(x\|y) = \dfrac{f_{X,Y}(x,y)}{f_Y(y)}$
Conditional Expectation	$E[X\|Y = y] = \sum_x x p_{X\|Y}(x\|y)$	$E[X\|Y = y] = \int_{-\infty}^{\infty} x f_{X\|Y}(x\|y) dx$
Independence	$\forall x, y, p_{X,Y}(x,y) = p_X(x) p_Y(y)$	$\forall x, y, f_{X,Y}(x,y) = f_X(x) f_Y(y)$

Covariance

We sometimes want to measure how "intertwined" X and Y are – how much knowing about one of them will affect the other.

If X turns out "big" how likely is it that Y will be "big" how much do they "vary together"

Covariance

$$\mathbf{Cov(X, Y)} = \mathbb{E}[(X - \mathbb{E}[X])(Y - \mathbb{E}[Y])] = \mathbb{E}[XY] - \mathbb{E}[X]\mathbb{E}[Y]$$