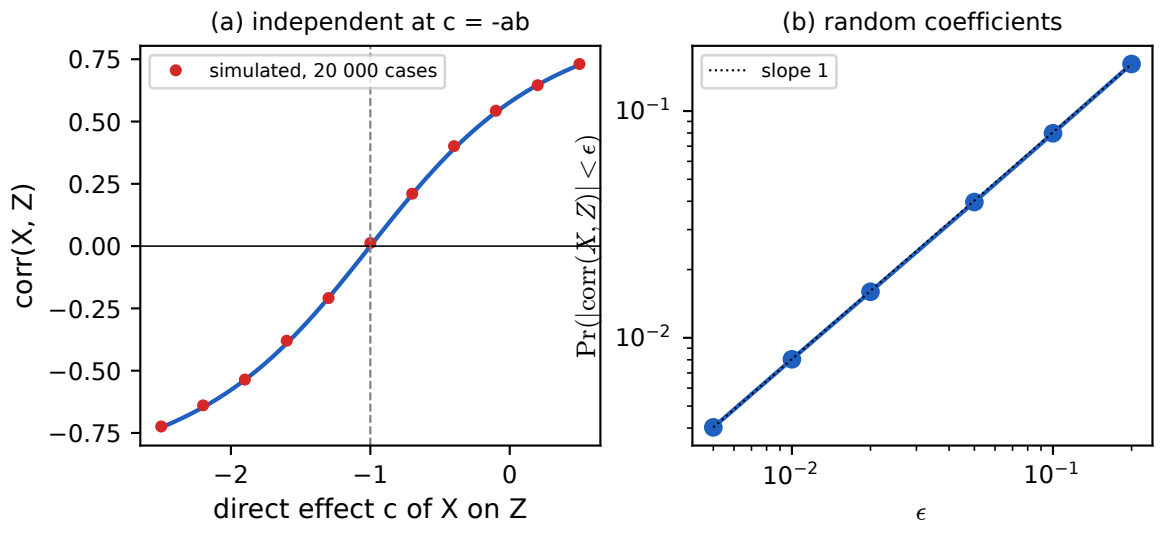

(a) independent at c = -ab
simulated, 20 000 cases
corr(X, Z)
0.75
0.50
0.25
0.00
−0.25
−0.50
−0.75
−2
−1
0
direct effect c of X on Z
(b) random coefficients
slope 1
$\Pr(|\mathrm{corr}(X, Z)| < \epsilon)$
10^{-1}
10^{-2}
10^{-2}
10^{-1}
ϵ