

# The LISREL Structural Equation Model

$$\eta = \beta \eta + \Gamma \xi + \zeta$$

(mx1)      (mxm)    (mx1)      (mxn)    (nx1)      (mx1)

$$y = \Lambda_y \eta + \epsilon$$

(px1)      (pxm)    (mx1)      (px1)

$$x = \Lambda_x \xi + \delta$$

(qx1)      (qxn)    (nx1)      (qx1)

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$\xi \sim N(0, \Phi)$ ,  $\zeta \sim N(0, \Psi)$ ,  $\epsilon \sim N(0, \Theta_\epsilon)$ ,  $\delta \sim N(0, \Theta_\delta)$   
 $\beta$ ,  $\Gamma$ ,  $\Lambda_y$  and  $\Lambda_x$  constants with diagonal of  $\beta$  zero

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$\eta$ : Vector of latent endogenous variables

$\xi$ : Vector of latent exogenous variables

$y$ : Vector of manifest indicators for  $\eta$

$x$ : Vector of manifest indicators for  $\xi$

$\zeta$ ,  $\epsilon$  and  $\delta$ : Error terms