Comparing Population Means under Local Differential Privacy: with Significance and Power

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Abstract

A statistical hypothesis test determines whether a hypothesis should be rejected based on samples from populations. In particular, randomized controlled experiments (or A/B testing) that compare population means using, e.g., t-tests, have been widely deployed in technology companies to aid in making data-driven decisions. Samples used in these tests are collected from users and may contain sensitive information. Both the data collection and the testing process may compromise individuals’ privacy. In this paper, we study how to conduct hypothesis tests to compare population means while preserving privacy. We use the notion of local differential privacy (LDP), which has recently emerged as the main tool to ensure each individual’s privacy without the need of a trusted data collector. We propose LDP tests that inject noise into every user’s data in the samples before collecting them (so users do not need to trust the data collector), and draw conclusions with bounded type-I (significance level) and type-II errors (1 − power). Our approaches can be extended to the scenario where some users require LDP while some are willing to provide exact data. We report experimental results on real-world datasets to verify the effectiveness of our approaches.

Introduction

Randomized controlled experiments (or A/B testing) and hypothesis tests are used by many companies, e.g., Google, Facebook, Amazon, and Microsoft, to design and improve their products and services (Tang et al. 2010; Panger 2016; Kohavi and Round 2004; Kohavi et al. 2012). These statistical techniques base business decisions on samples of actual customer data collected during experiments to draw more informed conclusions. However, such data samples usually contain sensitive information, e.g., usage statistics of certain apps or services; in order to meet users’ privacy expectations and tightening privacy regulations (e.g., European GDPR law), ensuring that these experiments and tests do not breach the privacy of individuals is an important problem.

Differential privacy (DP) (Dwork et al. 2006) has emerged as a standard for the privacy guarantees, and been used by, e.g., Apple (Apple 2017), Google (Erlingsson, Pihur, and Korolova 2014), and Uber (Greenberg 2017). In a well-studied DP model used by, e.g., (Gaboardi et al. 2016), users trust and send exact data to a data collector, who then injects noise in the testing process to ensure DP. However, this model is not applicable in our setup, as users may not trust the data collector (e.g., a tech company) due to potential hacks and leaks (Hackett 2015), and prefer not to have unprivatized data leave their devices. Therefore, we adopt the local model of differential privacy (LDP) (Duchi, Jordan, and Wainwright 2013). Under LDP, users do not need to trust the data collector. Before sent to the data collector, each user’s data is privatized by a randomized algorithm with the property that the likelihood of any specific output of the algorithm varies little with the input, i.e., the exact data.

In this paper, we study how to conduct hypothesis tests to compare population means (e.g., in A/B testing), while ensuring LDP for each user. We focus on the class of t-tests when presenting our solutions – they can be easily extended for Z-tests if populations follow Normal distributions.

An A/B test splits users randomly into two populations, to give them two different experiences, a control and a treatment, respectively, and then tests for differences between the two population means in a measure of interest (clicks, usage, monetization, etc.). A null hypothesis $H_0$ is that the two population means are equal or differ by a fixed constant. Statistical tests (e.g., t-tests) are used to determine whether the null hypothesis should be rejected based on random samples from the populations. To measure errors in the conclusions, type-I error is the probability of falsely rejecting $H_0$ when it is true, and type-II error, or complement of statistical power, is the probability of failing to reject $H_0$ when it is false. We want a test to have type-I error bounded by a pre-specified threshold, called significance level, and have high power.

A typical test has three common steps: 1) compute the observed value of a test statistic from samples; 2) calculate the $p$-value, i.e., the probability, under $H_0$, of a test statistic being more extreme than the observed one; 3) reject $H_0$ if and only if the $p$-value is less than the significance level.

Challenges and our contributions. In t-tests (as well as Z-tests when population variances are unknown) that compare population means, sample means and sample variances are the essential terms in the test statistic to be computed in step 1. While there are several approaches, e.g., (Duchi, Jordan, and Wainwright 2013), to estimate means, there is no known technique to estimate sample variances under LDP. In fact, we show that any estimator to variances based on a previous
LDP mechanism (Ding, Kulkarni, and Yekhanin 2017) has a very large worst-case error (Proposition 3).

Our first approach, called estimation-based LDP test, is based on a seemingly direct idea. We propose a new LDP mechanism to estimate sample variances, using which we obtain an estimation of the observed test statistic in step 1) to calculate the p-value and then draw the conclusion.

One of the most important goals of hypothesis testing is to control the probability of drawing a false conclusion in terms of type-I and type-II errors. While our new LDP variance estimator is of independent interest, the first approach is unsatisfying in achieving this goal, especially when the size of the data domain is large. As errors in both the estimator to sample means and the one to variances are proportional to the domain size, it is hard to bound the error in estimating the test statistic in step 1), so there is no theoretical guarantee on type-I and type-II errors in our first approach.

The second approach we propose, called transformation-based LDP test, aims to provide an upper bound of type-II error at a pre-specified significance level, i.e., a hard constraint of type-I error. The main idea is to look into the relationship between the original distribution of a population and the distribution on the outputs of the LDP data-collection algorithm on users’ data, called transformed distribution. Instead of estimating sample means and sample variances under LDP, we directly conduct tests based on LDP samples from the transformed distributions – the conclusion can then be translated into a conclusion of the test on the original population (i.e., rejecting or accepting \( H_0 \)). The upper bound on type-II error during A/B testing is critical in estimating the number of users needed in the samples to detect significant differences between the control and the treatment populations. We derive such an estimation of sample sizes needed to reduce type-II error below a threshold at the specified significance level. This approach can be extended to a hybrid-privacy scenario where some users require LDP while some are willing to provide exact data.

Experiments are conducted on real datasets to verify our theoretical results and the effectiveness of our approaches. Related work. There are a long line of works on hypothesis testing under the DP model with a trusted data collector, with genome-wide association studies as a primary application. In this setup, the data collector receives exact samples from users. The first type of approaches inject noise into aggregates (or marginal tables) of data to ensure DP, and compute or estimate the test statistic in step 1) from these noisy aggregates (Fienberg, Rinaldo, and Yang 2010; Karwa and Slavković 2012; Johnson and Shmatikov 2013; Karwa and Slavković 2016). The intuition is that the impact of the DP noise is small when the sample size is large enough (Vu and Slavković 2009). However, it is shown that certain tests, e.g., \( \chi^2 \)-tests, perform poorly when used with the estimated statistic (Gaboardi et al. 2016), leading to much higher type-I error than the specified amount. The second type of approaches (Uhler, Slavković, and Fienberg 2013; Yu et al. 2014; Wang, Lee, and Kifer 2015) try to derive the asymptotic distribution of the estimated test statistic. Since this asymptotic distribution cannot be written analytically, Monte Carlo simulations or numerical approximations are used to calculate the p-value in step 2). More recently, for \( \chi^2 \)-tests, unit circle mechanism (Kakizaki, Fukuchi, and Sakuma 2017) utilizes the geometrical property of the test statistics and achieves a sharp reduction on the type-II errors; and independently, new test statistics (Rogers and Kifer 2017) are proposed, so that their asymptotic distributions with DP noise injected are close to the asymptotics of the classical (non-private) tests.

To our best knowledge, our work is the first on statistical hypothesis tests to compare population means under LDP. One of our primary applications is A/B testing in software companies, so LDP is a proper privacy guarantee for each user without the need of trusting the data collector. LDP \( \chi^2 \)-testing is studied in (Rogers 2017), to test goodness of fit and independence for multinomial distributions. LDP hypothesis tests to distinguish between two specific distributions are studied in (Kairouz, Oh, and Viswanath 2014).

Another relevant line of works are about parameter estimations under LDP, including, e.g., mean/density estimations (Duchi, Jordan, and Wainwright 2013; Duchi, Wainwright, and Jordan 2016; Ding, Kulkarni, and Yekhanin 2017), and histogram estimations (Duchi, Wainwright, and Jordan 2013; Kairouz, Bonawitz, and Ramage 2016; Wang et al. 2016; Wang, Wu, and Hu 2016). Communication and computation-efficient mechanisms are developed for histogram estimations over large domains to find heavy hitters (Bassily and Smith 2015; Wang et al. 2017; Bassily et al. 2017). Industrial deployments of LDP techniques on this line enhance privacy using memorization (Erlingsson, Pihur, and Korolova 2014; Fanti, Pihur, and Erlingsson 2016). How to find heavy hitters is also studied in a hybrid-privacy model with both LDP and DP users (Avent et al. 2017).

Preliminaries

Each user has a private real-valued counter \( x \in \Sigma = [0, m] \) (to measure, e.g., app usage). Our approaches can be easily extended for general domains like \([-m, m]\), but we focus on \([0, m]\) for the simplicity of presentation. Let \( n \) \( = \{1, 2, \ldots, n\} \) and \( X = \{x_i\}_{i \in [n]} \) be a (sample) set of counters from \( n \) users. We use \( \mu_X = \sum x_i/n \) and \( s_X^2 = \sum (x_i - \mu_X)^2/(n - 1) \) to denote the sample mean and sample variance of \( X \), respectively. We use \( X \) (or \( A \), \( B \)) to denote both a population and the distribution of this population, from which a sample \( X \) (or \( A, B \)) is drawn.

Hypothesis testing to compare population means. Let \( A \) and \( B \) be the distributions of counters in the control and the treatment populations, respectively. Let \( \mu_A \) and \( \mu_B \) be the population means (expectations). The null hypothesis \( H_0 \) is \( \mu_A = \mu_B = d_0 \), and the alternative hypothesis \( H_1 \) is, e.g., \( \mu_A - \mu_B \neq d_0 \). We randomly pick \( n_A \) and \( n_B \) users from the populations \( A \) and \( B \), respectively, and let \( A = \{a_i\}_{i \in [n_A]} \) and \( B = \{b_i\}_{i \in [n_B]} \) be the corresponding samples.

A test is an algorithm \( \Xi \) that takes the two samples \( A \) and \( B \) and decides whether to reject or accept \( H_0 \) at a pre-specified significance level \( \alpha \). We require \( \Xi \) to have type-I error at most \( \alpha \), i.e., \( \Pr[\Xi(A, B; \alpha, H_0) = \text{reject } | H_0] \leq \alpha \), and type-II error \( \Pr[\Xi(A, B; \alpha, H_0) = \text{accept } | H_1] = \beta \) as small as possible. \( 1 - \beta \) is called the statistical power of \( \Xi \).
The probability is taken over the randomness from the data generation (of \( A \) and \( B \)) and the possible randomness in \( \mathcal{X} \).

A key step in a test is to compute the observed value of a test statistic from samples. To compare population means, it is usually a function of six parameters: sample means \( \mu_A \) and \( \mu_B \), sample variances \( s^2_A \) and \( s^2_B \), and sample sizes \( n_A \) and \( n_B \). In t-tests, we also need to obtain the degrees of freedom. For example, in Welch’s t-test, they are, respectively
\[
t = \frac{\bar{x}_A - \bar{x}_B}{\sqrt{s^2_A/n_A + s^2_B/n_B}}
\]
\[
df = \frac{(s^2_A/n_A + s^2_B/n_B)^2}{(s^2_A/n_A)^2/n_A - 1 + (s^2_B/n_B)^2/n_B - 1}.
\]

(1)

Local model of differential privacy (LDP). In the local model of differential privacy (LDP) (Duchi, Wainwright, and Jordan 2013; Bassily and Smith 2015), also called randomized response model (Warner 1965), \( \gamma \)-amplification (Evfimievski, Gehrke, and Srikant 2003), or FRAPP (Agrawal and Haritas 2005), private data from each user is randomized by an algorithm \( A \) before being sent to data collector.

Definition 1 (Local model of differential privacy) A randomized algorithm \( A : \mathcal{X} \rightarrow \mathcal{Z} \) is \( \epsilon \)-locally differentially private (\( \epsilon \)-LDP) if for any pair of values \( x, y \in \mathcal{X} \) and any subset of output \( S \subseteq \mathcal{Z} \), we have that
\[
\Pr[A(x) \in S] \leq e^\epsilon \cdot \Pr[A(y) \in S].
\]

One interpretation of LDP is that no matter what output is released from \( A \), it is approximately equally as likely to have come from one value \( x \in \mathcal{X} \) as any other. Unlike the DP model used in (Gaboardi et al. 2016; Rogers and Kifer 2017), users do not need to trust the data collector in LDP. It is communication-efficient (only one bit is sent) and can be seen as a simplification of the multidimensional mean-estimation mechanism in (Duchi, Jordan, and Wainwright 2013).

\[
\mathcal{M}_{\epsilon,m}(x) = \begin{cases} 
1, & \text{with probability } \frac{1}{e^\epsilon + 1} + \frac{x}{m} \cdot \frac{e^\epsilon - 1}{e^\epsilon + 1}; \\
0, & \text{otherwise},
\end{cases}
\]

(2)

Proposition 1 The mechanism \( \mathcal{M}_{\epsilon,m} \) is \( \epsilon \)-LDP.

This mechanism can be interpreted as first rounding \( x \) to a bit 1 with probability \( x/m \) or 0 otherwise, and flipping the bit with probability \( 1/(e^\epsilon + 1) \). It is communication-efficient (only one bit is sent) and can be seen as a simplification of the multidimensional mean-estimation mechanism in (Duchi, Jordan, and Wainwright 2013).

\( \mathcal{M}_{\epsilon,m} \) can be used for mean estimation. Suppose there are \( n \) users: \( X = \{x_i\}_{i \in [n]} \). We collect \( x_i = \mathcal{M}_{\epsilon,m}(x_i) \) from each user \( i \). The mean \( \mu_X = \sum_i x_i/n \) can be estimated from the noisy bits \( X' = \mathcal{M}_{\epsilon,m}(X) = \{x_i'\}_{i \in [n]} \) as:
\[
\hat{\mu}_{\epsilon,m}(X') = \frac{m}{n} \sum_{i=1}^n x_i' (e^\epsilon + 1) - 1}{e^\epsilon - 1}.
\]

(3)

It is shown in (Ding, Kulkarni, and Yekhanin 2017) that:

**Proposition 2** The estimator \( \hat{\mu}_{\epsilon,m}(X') \) is unbiased:

i) \( E[\hat{\mu}_{\epsilon,m}(X')] = \mu_X \), and ii) \( \text{Var}[\hat{\mu}_{\epsilon,m}(X')] = O\left(\frac{m^2}{n^2e^\epsilon}\right) \).

Estimation-based LDP Test

Given two samples \( A = \{a_i\}_{i \in [n_a]} \) and \( B = \{b_i\}_{i \in [n_b]} \), one straightforward starting point is to use \( \mathcal{M}_{\epsilon,m} \) to collect each counter, to preserve \( \epsilon \)-LDP for each user, and estimate parameters (sample means \( \mu_A \) and \( \mu_B \) and sample variances \( s^2_A \) and \( s^2_B \)), respectively. After applying \( \mathcal{M}_{\epsilon,m} \) on two samples \( X \) and \( Y \), we can use the same distribution (cannot be distinguished from each other), but the gap between \( s^2_X \) and \( s^2_Y \) is \( O(m^2) \) with high probability. In general, we have a hardness result:

**Proposition 3** If each counter in \( X = \{x_i\} \) is collected using \( \mathcal{M}_{\epsilon,m} \), any estimator \( s^2 \) to \( s^2_{\epsilon,m} \) based on \( \mathcal{M}_{\epsilon,m}(x) = \{\mathcal{M}_{\epsilon,m}(x_i)\} \) has worst-case error \( |s^2 - s^2_{\epsilon,m}| \) at least \( \Omega(m^2) \).

**Proof:** In the appendix.

LDP Data Collection for Variance Estimation. The above proposition essentially says that estimating the sample variance of a sample \( X \) based on \( \mathcal{M}_{\epsilon,m}(X) \) leads to unbounded error, as a sample variance itself is bounded by \( O(m^2) \). In order to obtain a reasonable estimation for sample variances, we need to collect two LDP bits from each user.

Indeed, the sample variance \( s^2_X \) can be rewritten as
\[
s^2_X = \frac{1}{n-1} \sum_{i} (x_i - \mu_X)^2 = \frac{n}{n-1} \left( \mu_{XZ} - \mu_X^2 \right),
\]

(4)

where \( X \) is defined to be \( \{x_i^2\}_{i \in [n]} \) and \( \mu_X^2 = \frac{1}{n} \sum_i x_i^2 \). The second bit is \( z_i = \mathcal{M}_{\epsilon^2,m^2}(x_i^2) \), which will be used to estimate \( \mu_X^2 \) (the range of \( x_i^2 \) is \([0, m^2]\)). Note that the two bits are collected with independent randomnesses. From the sequential composability, we preserve \( (\epsilon_1 + \epsilon_2) \)-LDP for each user.

After collecting \( X' = \{x_i'\}_{i \in [n]} \) and \( X'' = \{x_i''\}_{i \in [n]} \) from users in \( X \), the sample variance can be estimated as
\[
s^2_{\epsilon_1,\epsilon_2,m}(X', X'') = \frac{n}{n-1} \left( \mu_{XZ,m}(X'') - \hat{\mu}_{\epsilon_1,m}(X') \right),
\]

(5)
we have the following result about the accuracy of $s_{x, \varepsilon}^2$.

**Proposition 4** $s_{x, \varepsilon}^2$ is an estimator to $s_x^2$:

1. $s_{x}^2 - O\left(\frac{m^2}{n_{\varepsilon}}\right) \leq \mathbb{E}[s_{x, \varepsilon}^2(X', X'')] \leq s_x^2$, and
2. $\text{Var}[s_{x, \varepsilon}^2, \varepsilon_1, \varepsilon_2] = O\left(\frac{m^4}{n_{\varepsilon}^2} + \frac{m^4}{n_{\varepsilon}^2}\right)$.

**Proof:** In the appendix.

Using Mean/Variance Estimation in Tests. The test $T_{\varepsilon, \varepsilon}$ uses the above mechanism to collect data and estimate $\mu_A, \mu_B, s_{A, \varepsilon}^2,$ and $s_{B, \varepsilon}^2$ under LDP (consider $X = A, B$) and put the estimates back into (1) to calculate $t$ and $df$ in order to conduct $t$-tests. Refer to the appendix for detailed description. There is no theoretical guarantee on the testing errors, but from the above discussion, we have:

**Theorem 1** $T_{\varepsilon, \varepsilon}$ satisfies $(\varepsilon_1 + \varepsilon_2)$-LDP.

Transformation-based LDP Test

In this section, we give a LDP testing algorithm with guaranteed significance and power. The main idea is that, if a counter $X$ follows some (unknown) population distribution with a (unknown) mean $\mu$, the LDP bit $\mathbb{M}_{\varepsilon, m}(x)$ follows a Bernoulli distribution with the mean determined by $\mu$ and $\varepsilon$. So in order to compare population means, we can conduct tests directly on the LDP bits and compare Bernoulli means. The following proposition first gives the relationship between the original population distribution and the resulting Bernoulli distribution on the outputs of $\mathbb{M}_{\varepsilon, m}$.

**Proposition 5** If $\varepsilon$, a counter $X \in [0, m]$, follows a distribution $X$ with mean $\mu_X$, the LDP bit $\mathbb{M}_{\varepsilon, m}(x)$ as in (2) follows a Bernoulli distribution with the mean $p_X = \Pr[x^\text{bin} = 1] = \frac{\mu_X}{m} \cdot \frac{\varepsilon^2}{\varepsilon^2 + 1} + \frac{1}{\varepsilon^2 + 1}$.

**Proof:** Let $f$ be the PDF of $X$. We have

$$
\Pr[x^\text{bin} = 1] = \int_0^m \Pr[x^\text{bin} = 1 \mid x] f(x) dx
\leq \frac{1}{m} \int_0^m f(x) dx = \frac{1}{m} \int_0^m \left(\frac{x}{m} \cdot \frac{\varepsilon^2}{\varepsilon^2 + 1}\right) f(x) dx
= \frac{1}{m} \int_0^m \left(\frac{x}{m} \cdot \frac{\varepsilon^2}{\varepsilon^2 + 1}\right) f(x) dx
= \frac{\mu_X}{m} \cdot \frac{\varepsilon^2}{\varepsilon^2 + 1} + \frac{1}{\varepsilon^2 + 1}.
$$

Therefore, $x^\text{bin}$ follows a Bernoulli distribution.

The test process $T_{\varepsilon^\text{bin}}$ is described in Algorithm 1. Two samples, $A = \{a_i\}_{i \in [n_A]}$ and $B = \{b_i\}_{i \in [n_B]}$, are drawn from two distributions $A$ and $B$ with means $\mu_A$ and $\mu_B$. After applying the mechanism $\mathbb{M}_{\varepsilon, m}$, the LDP bits $A^{\text{bin}}$ and $B^{\text{bin}}$ are collected (lines 1-5) are two samples from Bernoulli distributions with means $p_A$ and $p_B$. With $\mu_A - \mu_B = d_0$, from (6), we have $p_A - p_B = d_0^{\text{bin}} = \left(\frac{d_0}{m}\right) \cdot \left(\frac{\varepsilon^2}{\varepsilon^2 + 1}\right)$. An important observation here is that the relative order between $\mu_A$ and $\mu_B$ is the same as the one between $p_A$ and $p_B$, i.e., $\mu_A - \mu_B \geq d_0 \iff p_A - p_B \geq d_0^{\text{bin}}$. Therefore, we can conduct a test on $A^{\text{bin}}$ and $B^{\text{bin}}$ to compare $p_A$ and $p_B$ with a null hypothesis $H_0^{\text{bin}}: p_A - p_B = d_0^{\text{bin}}$ (line 6), in order to compare $\mu_A$ and $\mu_B$ and reject or accept $H_0$ (line 7).

Indeed $T_{\varepsilon^\text{bin}}$ preserves $\varepsilon$-LDP for each user from Proposition 1 and the way how $A^{\text{bin}}$ and $B^{\text{bin}}$ are collected.

**Theorem 2** $T_{\varepsilon^\text{bin}}$ satisfies $\varepsilon$-LDP.

**Algorithm 1:** $T_{\varepsilon^\text{bin}}$: Transformation-based LDP Test

Input: Two samples $A = \{a_i\}_{i \in [n_A]}$ and $B = \{b_i\}_{i \in [n_B]}$.

**Null hypothesis** $H_0: \mu_A - \mu_B = d_0$.

**Parameters:** privacy budget $\varepsilon$ and significance level $\alpha$.

1. For users $i = 1$ to $n_A$ do
2. Encode $a_i^{\text{bin}} = \mathbb{M}_{\varepsilon, m}(a_i)$ and send $a_i^{\text{bin}}$ to the server.
3. For users $i = 1$ to $n_B$ do
4. Encode $b_i^{\text{bin}} = \mathbb{M}_{\varepsilon, m}(b_i)$ and send $b_i^{\text{bin}}$ to the server.
5. Server receives $A^{\text{bin}} = \{a_i^{\text{bin}}\}$ and $B^{\text{bin}} = \{b_i^{\text{bin}}\}$.
6. Let the transformed null hypothesis be $H_0^{\text{bin}}: p_A - p_B = d_0^{\text{bin}}$.

7. Conduct a $t$-test with null hypothesis $H_0^{\text{bin}}$ on $A^{\text{bin}}$ and $B^{\text{bin}}$ at significance level $\alpha$: accept (or reject) $H_0$ if and only if $H_0^{\text{bin}}$ is accepted (or rejected).

We do not need a larger sample size in $T_{\varepsilon^\text{bin}}$ to get a satisfactory statistical power than the size needed in a non-private $t$-test on the real values in $A$ and $B$. Intuitively, for a fixed gap between population means $\mu_A$ and $\mu_B$, the gap between $p_A$ and $p_B$ is smaller if the domains size $m$ is larger or $\varepsilon$ is smaller; note that the smaller the gap between $p_A$ and $p_B$ is, the harder for the test $T_{\varepsilon^\text{bin}}$ to draw a significant conclusion. Lower bounds of the power of $T_{\varepsilon^\text{bin}}$ (or sample sizes needed) are derived in Theorem 3 at a significance level $\alpha$.

**Theorem 3** $T_{\varepsilon^\text{bin}}$ (Algorithm 1) has a significance level $\alpha$, i.e., type-I error $\leq \alpha$. Suppose the alternative hypothesis $H_1$: $\mu_A - \mu_B > d_0$ is true with $(\mu_A - \mu_B) - d_0 = \theta$. The statistical power (1-type-II error) of $T_{\varepsilon^\text{bin}}$, denoted by $P(\theta)$, is

$$
P(\theta) \triangleq \Pr[T_{\varepsilon^\text{bin}}(A, B) = \text{reject} \mid (\mu_A - \mu_B) - d_0 = \theta] \geq 1 - \exp\left(-\frac{\theta(e^\varepsilon - 1)}{m(e^\varepsilon + 1)} \sqrt{\frac{2n_An_B}{n_A + n_B} - \left(\ln\frac{1}{\alpha}\right)^2}\right),
$$

if the samples are large enough: $n_A + n_B = \Omega\left(\frac{m^2}{\theta^2 \ln\frac{1}{\alpha}}\right)$.

If we use Normal distributions to approximate Binomial distributions and Student’s $t$-distributions (under the condition that $n_A$ and $n_B$ are large enough), we have:

$$
P(\theta) \geq 1 - F\left(F^{-1}(1 - \alpha) - \frac{d_0}{d_{A+B}}\right) \geq 1 - F\left(F^{-1}(1 - \alpha) - \frac{d_0}{d_{A+B}}\right),
$$

where $d_{A+B} = \sqrt{\frac{2n_An_B}{n_A + n_B} - \left(\ln\frac{1}{\alpha}\right)^2}$.
where \( p_0 = \frac{\theta}{m} \cdot \frac{e^{-1}}{e^z + 1} \). \( F(\cdot) \) is the CDF of the Normal distribution \( \mathcal{N}(0, 1) \), and the sample variance \( \hat{\sigma}_{A+B} = \sqrt{\frac{1}{n_A} \frac{1}{n_A} - \frac{1}{n_B}} \frac{1}{n_B} - \frac{1}{n_B} \frac{1}{n_B} \frac{1}{n_B} \), where 
\[ 1_X = |\{x \in X \mid x = 1\}| \] is the number of 1’s in \( X \).

In particular, if \( n_A = n_B = n \) and we require that the statistical power \( P(\theta) \geq 1 - \beta \), it suffices to have 
\[ n = \left( F^{-1}(1 - \alpha) - F^{-1}(\beta) \right)^2 \cdot \frac{1}{2p_0^2} + 1. \tag{11} \]

**Proof:** Let’s focus on the case \( d_0 = 0 \). The proof can be easily generalized for \( d_0 > 0 \) by adding a constant.

Consider a test with a null hypothesis \( H_0^{\text{bin}} \) (line 7 of Algorithm 1) using the following test statistic:
\[
\frac{z(A^{\text{bin}}, B^{\text{bin}})}{\hat{\sigma}_{A+B}} \sim \mathcal{N}(0, 1),
\]
where \( \sigma_{A+B} = \sqrt{\frac{p_A(1 - p_A)}{n_A} + \frac{p_B(1 - p_B)}{n_B}} \).

In the test (line 7), we use \( \sigma_{A+B} \) in (10) to approximate \( \sigma_{A+B} \). When \( n_A \) and \( n_B \) are large enough,
\[
\frac{z(A^{\text{bin}}, B^{\text{bin}})}{\hat{\sigma}_{A+B}} \sim \mathcal{N}(0, 1),
\]
from the normal approximation to Student’s \( t \)-distribution.

At a significance level of \( \alpha \), we need to find a rejection threshold \( z_0 \) of \( z(A^{\text{bin}}, B^{\text{bin}}) \), s.t., under \( H_0^{\text{bin}} \), \( \Pr[\text{reject}] = \Pr[z(A^{\text{bin}}, B^{\text{bin}}) \geq z_0] \leq \alpha \). Therefore, based on the CDF of the Normal distribution \( \mathcal{N}(0, 1) \), we reject \( H_0^{\text{bit}} \) iff
\[
z(A^{\text{bin}}, B^{\text{bin}}) \geq z_0 = F^{-1}(1 - \alpha) \cdot \hat{\sigma}_{A+B}.
\]

Now let’s estimate the statistical power under the alternative hypothesis with \( \mu_A - \mu_B = \theta \), or equivalently,
\[
p_A - p_B = \frac{\theta}{m} \cdot \frac{e^{-1}}{e^z + 1} \triangleq p_0.
\]
Under the above condition, we have
\[
\frac{z(A^{\text{bin}}, B^{\text{bin}}) - p_0}{\hat{\sigma}_{A+B}} \sim \mathcal{N}(0, 1).
\]

And thus the statistical power \( P(\theta) = \)
\[
= \Pr \left[ \frac{z(A^{\text{bin}}, B^{\text{bin}}) - p_0}{\hat{\sigma}_{A+B}} \geq F^{-1}(1 - \alpha) \right] = \Pr \left[ \frac{z(A^{\text{bin}}, B^{\text{bin}}) - p_0}{\hat{\sigma}_{A+B}} \geq F^{-1}(1 - \alpha) - \frac{p_0}{\hat{\sigma}_{A+B}} \right] = 1 - F \left( F^{-1}(1 - \alpha) - \frac{p_0}{\hat{\sigma}_{A+B}} \right) \geq 1 - F \left( F^{-1}(1 - \alpha) - p_0 \cdot \frac{4(n_A - 1)(n_B - 1)}{n_A + n_B - 2} \right).
\]

The sample size lower bound in (11) is directly from (9). □

**How to use Theorem 3** All three of (7)–(9) can be used to estimate the lower bound of statistical power, and the largest one can be picked. (9) is likely to be the tightest one, but it needs the sample variance \( \hat{\sigma}_{A+B} \) in (10) in the LDP samples \( A^{\text{bin}} \) and \( B^{\text{bin}} \), while the other two only need the sample sizes. Before we draw samples from populations, (11) can be used to estimate the sample sizes needed. As will be verified in the experiments, the estimated sample sizes are sufficient to guarantee the required statistical power. It is interesting to note that the type-II error of \( \mathcal{S}_{\text{bin}}^{\text{mix}} \) has a dominated term \( O(-\exp(\sqrt{n})) \) similar to the one of unit circle mechanism \( \mathcal{S}_{\text{circle}} \) for a different test \( \chi^2 \)-test under DP. The additional term \( \frac{1}{\sqrt{n}} \) is from LDP.

**About Laplace mechanism.** \( \mathcal{S}_{\text{bin}}^{\text{mix}} \) can be adapted if each user’s counter is collected using the Laplace-perturbation mechanism \( \text{(Duchi, Jordan, and Wainwright 2013)} \). However, sending Laplace-perturbed counters is costly and we cannot expect better statistical power from it.

**Extensions for Hybrid Privacy Requirements**

**Hybrid privacy model.** The transformation-based LDP test \( \mathcal{S}_{\text{bin}}^{\text{mix}} \) can be extended for population with hybrid privacy requirements: more formally, in a random sample \( A = \{a_i\} \) (or \( B = \{b_i\} \) ) drawn from the distribution \( A \) (or \( B \) ), some users require \( \epsilon \)-LDP, while the others do not.

**Rescaling LDP bits.** Indeed, for users who do not require \( \epsilon \)-LDP, we can simply send their exact counter \( a_i \) (or \( b_i \) ) to the server. The question is, for those who require \( \epsilon \)-LDP, e.g., \( a_i \), how to combine their LDP bits \( \mathcal{M}_{\epsilon,m}(a_i) \in \{0, 1\} \) with exact counters \( a_j \in \{0, 1\} \) to conduct hypothesis tests.

The proposed test \( \mathcal{S}_{\text{mix}} \) in Algorithm 2 re-scales** LDP bits \( \mathcal{M}_{\epsilon,m}(a_i) \) to form a mixed sample \( A^{\text{mix}} \) together with the exact counters. For a user \( a_i \) who requires \( \epsilon \)-LDP, if \( \mathcal{M}_{\epsilon,m}(a_i) = 0 \), \( a_i^{\text{mix}} = -m/\varepsilon(\varepsilon - 1) \) is sent (line 3), and if \( \mathcal{M}_{\epsilon,m}(a_i) = 1 \), \( a_i^{\text{mix}} = m\varepsilon/(\varepsilon - 1) \) is sent (line 4). If a user \( a_i \) does not require \( \epsilon \)-LDP, simply send \( a_i^{\text{mix}} = a_i \) (line 5). The same process is applied for sample \( B \) (lines 7-12). This process can be easily extended if different users require different values of the privacy parameter \( \varepsilon \).

We can show that \( A^{\text{mix}} = \{a_i^{\text{mix}}\} \) and \( B^{\text{mix}} = \{b_i^{\text{mix}}\} \) received by the server (line 13) can be considered as being drawn from distributions \( A^{\text{mix}} \) and \( B^{\text{mix}} \), with means \( \mu_A^{\text{mix}} = \mu_A \) and \( \mu_B^{\text{mix}} = \mu_B \), respectively, but higher variances.
Empirical Type-I Error

Algorithm 2: $\mathcal{T}^\varepsilon_{\text{mix}}$: For Hybrid Privacy Requirements

Proposition 6 If a counter $x \in [0, m]$ follows a distribution $X$ with mean $\mu_X$, $x^{\text{mix}}$ (derived as $a_i^{\text{mix}}$ or $b_i^{\text{mix}}$ in Algorithm 2) follows a distribution $X^{\text{mix}}$ with mean $\mu_X^{\text{mix}} = \mu_X$.

Let $\sigma_X^{\text{mix}}$ be the variance of $X$. If each user in $X$ requires $\varepsilon$-LDP with probability $\alpha$, the variance of $X^{\text{mix}}$ is

$$\sigma_X^{\text{mix}} = \sigma_X^2 \cdot (1 - r) + O\left((\sigma_X^{\text{mix}})^2\right) \cdot r. \quad (12)$$

Proof: $\mu_X^{\text{mix}} = \mu_X$ is from (6) and the fact that if $x$ requires LDP, $x^{\text{mix}} = \mathbb{E}[x_{\varepsilon,m}(x) \cdot m \cdot (\varepsilon^2 + 1)/(\varepsilon^2 - 1) - m/(\varepsilon^2 - 1)$. The variance of $X^{\text{mix}}$ can be then calculated as follows:

$$\sigma_X^{\text{mix}} = \mathbb{E}[\{x^{\text{mix}} - \mathbb{E}[x^{\text{mix}}]\}^2]$$

$$= \mathbb{E}[\{x^{\text{mix}} - \mathbb{E}[x^{\text{mix}}]\}^2 | x \text{ does not require LDP}] \cdot (1 - r) + \mathbb{E}[\{x^{\text{mix}} - \mathbb{E}[x^{\text{mix}}]\}^2 | x \text{ requires LDP}] \cdot r$$

$$= \sigma_X^2 \cdot (1 - r) + \frac{\sigma_X^2 (\varepsilon^2 + 1)^2}{(\varepsilon^2 - 1)^2} \cdot \mathbb{E}[\mathcal{N}_{\varepsilon,m}(x)] \cdot r,$$

where $\mathbb{E}[\mathcal{N}_{\varepsilon,m}(x)] = O(1)$ follows from (2).

Since the distributions $A$ and $A^{\text{mix}}$ (or, $B$ and $B^{\text{mix}}$) have the same mean, we can conduct a $t$-test with the null hypothesis $H_0^{\text{mix}}: \mu_A^{\text{mix}} = \mu_B^{\text{mix}} = d_0$ on $A^{\text{mix}}$ and $B^{\text{mix}}$ in order to accept or reject $H_0$ on $A$ and $B$ (line 14) – this is because $H_0$ is a necessary and sufficient condition of $H_0^{\text{mix}}$. For the same reason, the significance and the power of $\mathcal{T}^\varepsilon_{\text{mix}}$ are guaranteed to be the same as those of the $t$-test on line 14.

Theorem 4 $\mathcal{T}^\varepsilon_{\text{mix}}$ (Algorithm 2) satisfies the hybrid privacy model. It has a significance level $\alpha$, i.e., type-I error $\leq \alpha$. Its power is the same as the power of the $t$-test on line 14.

Proof: The significance/power guarantee is from the above discussion. The privacy guarantee for each user follows from Proposition 1 and how $A^{\text{mix}}$ and $B^{\text{mix}}$ are collected.

We do not give a closed-form lower bound of $\mathcal{T}^\varepsilon_{\text{mix}}$’s statistical power. Since it is equal to the power of the test conducted on line 14 of Algorithm 2 it depends on the variances of $A^{\text{mix}}$ and $B^{\text{mix}}$, which are determined by $\sigma_A^2$, $\sigma_B^2$, $r$ (the fraction of users requiring LDP), and $m$ as in (12). And since $\sigma_A^2$ and $\sigma_B^2$ are usually much smaller than $m^2$, $r$ has a significant impact on the power: the smaller $r$ is, the smaller the variances $\sigma_{A^{\text{mix}}}^2$ and $\sigma_{B^{\text{mix}}}^2$ are, and the larger the power is. This property will be verified in our experiments.

More general hybrid privacy models. $\mathcal{T}^\varepsilon_{\text{mix}}$ can be easily extended for the model where each user $i$ requires a different privacy budget $\varepsilon_i$ (just replacing $\varepsilon$ with $\varepsilon_i$ in lines 3-4 and 9-10 of Algorithm 2). In a different model considered for the heavy-hitter problem (Avet et al. 2017), some users require LDP while others only require DP on the testing output: how to conduct effective tests in this model remains open.

Experimental Evaluation

Dataset and parameters. There are 20 million users in this real-world dataset. Each user has a counter with the value in $[0, 15000]$, i.e., $m = 15000$. There are categorical attributes, e.g., country, associated with each user’s counter.

We vary the privacy parameter $\varepsilon$ from 0.5 to 5. The pre-specified significance level $\alpha = 0.05$, and the null hypothesis is $H_0: \mu_A - \mu_B = 0$. We draw samples from control/treatment with equal sizes $n_A = n_B$. For each value of sample sizes, we repeat drawing samples and conducting (LDP) tests 1000 times, and report the average (empirical) type-I error and statistical power $(1 - \text{type-II error})$.

Evaluating Significance

In the first set of experiments, we draw samples from distributions with the same means, and thus $H_0$ holds. We report the average type-I error of different approaches in Figure 1 i.e., the empirical probability that $H_0$ is rejected.

We conduct Welch’s $t$-test on the non-privatized samples (NonPrivate in Figure 1), estimation-based LDP test $T^\varepsilon_{\text{est},\varepsilon_2}$ (2bitLDP), LDP test $\mathcal{T}^\varepsilon_{\text{mix}}$ in Algorithm 1 (LDP), and $\mathcal{T}^\varepsilon_{\text{mix}}$ in Algorithm 2 when 50% users require LDP (50% Hybrid). Since it is required that type-I error $\leq$ significance level $\alpha$, ideally, the empirical type-I error should be close to $\alpha$ or less. Figure 1 verifies Theorems 3-4 for different sample sizes and $\varepsilon$, both $\mathcal{T}^\varepsilon_{\text{mix}}$ and $\mathcal{T}^\varepsilon_{\text{est}}$ always have empirical type-I errors close to 0.05. However, $\mathcal{T}^\varepsilon_{\text{est}}$ does not perform well, even with large sample sizes and large $\varepsilon = \varepsilon_1 + \varepsilon_2 = 2.5 + 2.5$; the reason is that although the sample variance estimator (5) used in $\mathcal{T}^\varepsilon_{\text{est}}$ has bounded bias (Proposition 4), its variance is too high as $m$ is large, and thus its empirical
We report the average power in Figures 2-3, i.e., the empirically satisfying by some constant $\theta$ have been shown to satisfy the significance level empirically. Theorem 3 gives a way (11) to estimate the sample size $|LDP|$ $= \varepsilon$ needs roughly three times as many samples as the non-privatized Welch’s $t$-test need smaller samples to achieve an empirical power $0.8$ (with $\varepsilon = 5$) needs roughly three times as many samples as the non-privatized Welch’s $t$-test does. It is totally acceptable, because, with the strong LDP privacy guaranteed for each user without the need of trusting the data collector, more users would be willing to share their data (in an LDP way).

For $\theta = 60$, to achieve an empirical power $0.8$, $2^{\varepsilon}$ (with $\varepsilon = 5$) needs roughly three times as many samples as the non-privatized Welch’s $t$-test does. It is totally acceptable, because, with the strong LDP privacy guaranteed for each user without the need of trusting the data collector, more users would be willing to share their data (in an LDP way).

Theorem 3 gives a way (11) to estimate the sample size needed to achieve certain power in $2^{\varepsilon}$. We can verify this analytical result here: in Figures 2(a) 2(d), for each $\varepsilon$, we plot a dashed line in the same color as the color of the corresponding power curve – this dashed line, calculated by (11), denotes the sample size needed to achieve a power of 0.8. It turns out to be a “safe” estimation: samples with this size always give the required or better power in Figure 2.

Hybrid privacy requirements. We evaluate our test $2^{\varepsilon}$ for hybrid privacy requirements in the scenario with $\theta = 60$ and $\varepsilon = 1$ in Figure 3: “$x\%$ Hybrid” represents $2^{\varepsilon}$ on a population with a random portion of $x\%$ users requiring 1-LDP, and “LDP” represents $2^{\varepsilon}$. Intuitively, the less users require LDP, the easier it is for us to conduct tests. This intuition is consistent with the empirical performance of $2^{\varepsilon}$, which calibrates noise for each LDP user and mixes them with exact samples from those who do not require LDP.

Even within one sample, LDP users may follow a different distribution from non-LDP ones. So $2^{\varepsilon}$ still needs larger samples than the non-private test does. But the sample size needed to achieve a high power (e.g., 0.8) decreases quickly as the LDP ratio goes down: when 50% requires LDP, the sample size needed in $2^{\varepsilon}$ is around half of the one in $2^{\varepsilon}$; and when 1% requires LDP, the sample size needed is close to the one in the non-private $t$-test.

Conclusion

We study how to conduct hypothesis testing for comparing population means under LDP. We propose two approaches. Both inject noise into each user’s data in the samples before sending it to the data collector to ensure LDP. The first one, called estimation-based LDP test, decodes LDP samples aggregately at the data collector to recover the observed test statistics. The second one, called transformation-based LDP test, studies the relationship between the population distributions and the distributions of LDP samples. It conducts transformed tests directly on LDP samples and converts conclusions for the original tests. The second one has provable significance and lower bounds of power, and it can be extended for population with hybrid privacy requirements.

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Description of Estimation-based Test

The estimation-based LDP test $\overline{\xi}_{\overline{e}_1,\overline{e}_2}$ is described in Algorithm 3. For the two samples $A$ and $B$, we use privacy budget $\varepsilon_1$ to collect $A'$ and $B'$, and $\varepsilon_2$ to collect $A''$ and $B''$ (lines 1-7). $\mu_{\varepsilon_1,m}(A')$ and $\mu_{\varepsilon_1,m}(B')$ are used to estimate sample means $\mu_A$ and $\mu_B$, respectively; $\hat{s}_{\varepsilon_1,m}^2(A',A'')$ and $\hat{s}_{\varepsilon_1,m}^2(B',B'')$ are used to estimate sample variances (lines 8-9). The four estimations are embedded into (1), to estimate $\hat{t}$ and $\hat{df}$ in order to conduct a $t$-test with null $H_0$ (lines 10-12). There is no theoretical guarantee on the errors in the testing result, mainly because it is difficult to bound the error in $\hat{t}$, and the distribution of $\hat{t}$ is unknown.

Algorithm 3: $\overline{\xi}_{\overline{e}_1,\overline{e}_2}$: Estimation-based LDP Test

Proof to Proposition 3

Suppose $X = \{x_i\}$ is a random sample drawn from a distribution $X$ such that $\Pr[x_i = m/2] = 1$, and $Y = \{y_i\}$ is a sample drawn from $Y$ such that $\Pr[y_i = 0] = 1/2$ and $\Pr[y_i = m] = 1/2$. So $X$ has a sample variance $s_X^2 = 0$, and with high probability, $Y$ has a sample variance at least $\sigma^2 = \Omega(n^2)$. However, the LDP bits $\mathcal{M}_{\varepsilon,m}(X) = \{\mathcal{M}_{\varepsilon,m}(x_i)\}$ and $\mathcal{M}_{\varepsilon,m}(Y)$ follow the same distribution: $\forall x_i \in X : \Pr[\mathcal{M}_{\varepsilon,m}(x_i) = 0] = \Pr[\mathcal{M}_{\varepsilon,m}(x_i) = 1] = 1/2$; $\forall y_i \in Y : \Pr[\mathcal{M}_{\varepsilon,m}(y_i) = 0] = \Pr[\mathcal{M}_{\varepsilon,m}(y_i) = 1] = 1/2$. The conclusion follows from the fact that $X$ and $Y$ cannot be distinguished from each other based on their $\varepsilon$-LDP collections $\mathcal{M}_{\varepsilon,m}(X)$ and $\mathcal{M}_{\varepsilon,m}(Y)$, while their sample variances have a $\Omega(n^2)$ gap with high probability.

Proof to Proposition 4

Using Proposition 2 on $X''$, we have $E[\hat{\mu}_{\varepsilon_2,m}(X'')] = \mu_{X''}$; and on $X'$, we have $\Var[\hat{\mu}_{\varepsilon_1,m}(X')] = O\left(\frac{m^2}{n_1\varepsilon_1^2}\right)$.

To bound the variance of $\hat{s}_{\varepsilon_1,\varepsilon_2,m}(X',X'')$ as in ii), because $X'$ and $X''$ are generated independently, we have

$$\Var[\hat{s}_{\varepsilon_1,\varepsilon_2,m}(X',X'')] = \frac{n^2}{(n-1)^2} \left(\Var[\hat{\mu}_{\varepsilon_2,m}(X'')] + \Var[\hat{\mu}_{\varepsilon_1,m}(X')]\right).$$

From Proposition 2 and how each $x_i''$ is generated, we have

$$\Var[\hat{\mu}_{\varepsilon_2,m}(X'')] = O\left(\frac{m^2}{n_1\varepsilon_2^2}\right) = O\left(\frac{m^2}{n_1}\right).$$

And from (3), we have

$$\Var[\hat{\mu}_{\varepsilon_1,m}(X')] = \Var\left[\frac{m}{n} \sum_{i=1}^{n} x_i' \cdot (e^{\varepsilon_1} + 1) - 1 \right]^2 = \frac{m^4}{n^4} \cdot \Var\left[\frac{m}{n} \sum_{i=1}^{n} x_i' \cdot (e^{\varepsilon_1} + 1) - 1 \right]^2 = \frac{m^4}{n^4} \cdot \frac{n^2}{4} \cdot O\left(\frac{e^{\varepsilon_1} + 1}{e^{\varepsilon_1} - 1}\right)^4 = O\left(\frac{m^4}{n^2\varepsilon_1^2}\right).$$

Putting (14) and (15) back to (13), ii) follows.
**The First Part of Proof to Theorem 3**

We first need to derive a threshold value $z_0$ to determine the regions of acceptance and rejection for the test statistic $z(A^{\text{bin}}, B^{\text{bin}})$. Under $H_0 : \mu_A - \mu_B = 0$, or equivalently, $H_0^{\text{bin}} : \mu_A - \mu_B = 0$, we have $E[z(A^{\text{bin}}, B^{\text{bin}})] = 0$. And flipping the value of any of $a_i^{\text{bin}} \in A^{\text{bin}}$ (or $b_i^{\text{bin}} \in B^{\text{bin}}$) changes the value of $z(A^{\text{bin}}, B^{\text{bin}})$ by at most $1/n_A$ (or $1/n_B$). So from McDiarmid’s inequality, we can bound

$$\Pr[z(A^{\text{bin}}, B^{\text{bin}}) \geq t] \leq \exp\left( -\frac{2t^2}{n_A \cdot \frac{1}{2n_A} + n_B \cdot \frac{1}{2n_B}} \right) = \exp\left( -\frac{2t^2}{1/n_A + 1/n_B} \right). \tag{16}$$

A significance level of $\alpha$ requires a threshold $z_0$, s.t., under $H_0^{\text{bin}}$, $\Pr[\text{reject}] = \Pr[z(A^{\text{bin}}, B^{\text{bin}}) \geq z_0] \leq \alpha$. Therefore, based on (16), $H_0^{\text{bin}}$ should be rejected iff:

$$z(A^{\text{bin}}, B^{\text{bin}}) \geq z_0 = \sqrt{\left( \frac{1}{2n_A} + \frac{1}{2n_B} \right) \ln \frac{1}{\alpha}}.$$

Now let’s estimate the statistical power under the alternative hypothesis with $\mu_A - \mu_B = \theta$, or equivalently,

$$p_A - p_B = E[z(A^{\text{bin}}, B^{\text{bin}})] = \frac{\theta}{m} \cdot \frac{e^\varepsilon - 1}{e^\varepsilon + 1}. \tag{17}$$

The statistical power is the probability of rejection

$$P(\theta) = \Pr \left[ z(A^{\text{bin}}, B^{\text{bin}}) \geq \sqrt{\left( \frac{1}{2n_A} + \frac{1}{2n_B} \right) \ln \frac{1}{\alpha}} \right],$$

under (17). Let $\Delta = E[z(A^{\text{bin}}, B^{\text{bin}})] - z(A^{\text{bin}}, B^{\text{bin}})$.

$$P(\theta) = \Pr \left[ \Delta \leq \frac{\theta}{m} \cdot \frac{e^\varepsilon - 1}{e^\varepsilon + 1} - \sqrt{\left( \frac{1}{2n_A} + \frac{1}{2n_B} \right) \ln \frac{1}{\alpha}} \right]$$

(using McDiarmid’s inequality, again)

$$\geq 1 - \exp \left( -\frac{2 \left( \frac{\theta}{m} \cdot \frac{e^\varepsilon - 1}{e^\varepsilon + 1} - \sqrt{\left( \frac{1}{2n_A} + \frac{1}{2n_B} \right) \ln \frac{1}{\alpha}} \right)^2}{n_A + n_B} \right) \geq 1 - \exp \left( -\left( \frac{\theta}{m} \cdot \frac{e^\varepsilon - 1}{e^\varepsilon + 1} \cdot \frac{2n_A n_B}{n_A + n_B} - \sqrt{\ln \frac{1}{\alpha}} \right)^2 \right),$$

Note that a pre-condition here is that

$$\frac{\theta}{m} \cdot \frac{e^\varepsilon - 1}{e^\varepsilon + 1} \cdot \frac{2n_A n_B}{n_A + n_B} - \sqrt{\ln \frac{1}{\alpha}} \geq 0 \iff n_A + n_B = \Omega \left( \frac{m^2}{\theta^2 \varepsilon^2} \cdot \ln \frac{1}{\alpha} \right).$$

The upper bound in (17) holds under the above condition. □