

In computing the unbiased estimate for the population variance, we encounter the following formula:

$$s^2 = \frac{1}{n-1} \left\{ \sum (x-a)^2 - \frac{[\sum (x-a)]^2}{n} \right\}; \text{ however, when } a = \bar{x}, \text{ this formula is simply reduced to}$$

$$s^2 = \frac{1}{n-1} \sum (x-\bar{x})^2. \text{ Why is this so? Provided below is the mathematical proof:}$$

$$\begin{aligned} \sum (x-\bar{x}) &= \sum x - \sum \bar{x} = \sum x - \underbrace{(\bar{x} + \bar{x} + \bar{x} + \dots + \bar{x})}_{n \text{ times}} \\ &= \sum x - n\bar{x} = \sum x - n \cdot \frac{\sum x}{n} = \sum x - \sum x = 0 \end{aligned}$$

Therefore, when $a = \bar{x}$,

$$\begin{aligned} s^2 &= \frac{1}{n-1} \left\{ \sum (x-a)^2 - \frac{[\sum (x-a)]^2}{n} \right\} \\ &= \frac{1}{n-1} \left\{ \sum (x-\bar{x})^2 - \underbrace{\frac{[\sum (x-\bar{x})]^2}{n}}_{=0} \right\} = \frac{1}{n-1} \sum (x-\bar{x})^2 \text{ (shown)} \end{aligned}$$