

# FP2 EDA

March 26, 2021

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## 1 Introduction

The goal of my final project is to accurately predict county-level unemployment rates in the United States using historical data. The unemployment rate measures the number of unemployed workers as a percentage of the labor force and is typically used to evaluate the health of the labor market. This statistic is especially important during recessions to determine the economic condition of a given area. This problem is important because high levels of unemployment can seriously damage a nation's economic growth and financial development. Being able to predict the unemployment rate will allow us to understand the factors that are associated with high and low levels of unemployment. This allows us to more efficiently and effectively implement policies to reduce the unemployment rate.

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## 2 Data Wrangling and Cleaning

The data set used for this project came from the 2019 American Community Survey (5-year estimates) and was retrieved from [Social Explorer](#).

[Link to the downloaded report](#)

The data used to classify counties as metro or nonmetro came from the [US Department of Agriculture Economic Research Reserve](#). The data set used was the 2013 Rural-Urban Continuum Codes.

```
[1]: # import tools
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns
import os
from scipy.stats import binned_statistic

# change directory
os.chdir('C:/Users/hubst/ECON_490/Final Project')

# increase size of figures
```

```
sns.set(rc = {'axes.titlesize': 20,
              'axes.labelsize': 15,
              'xtick.labelsize': 10,
              'ytick.labelsize': 10,
              'figure.figsize': (10, 5)})
```

```
[2]: # load in data
data = pd.read_csv('final_project.csv')

# load in metro classification table
codes = pd.read_excel('ruralurban_codes2013.xlsx', engine = 'openpyxl')
```

```
[3]: # print head of codes
codes.head()
```

```
[3]:      FIPS State  County_Name  Population_2010  RUCC_2013  \
0   1001.0    AL  Autauga County         54571.0          2.0
1   1003.0    AL  Baldwin County        182265.0          3.0
2   1005.0    AL  Barbour County         27457.0          6.0
3   1007.0    AL    Bibb County         22915.0          1.0
4   1009.0    AL  Blount County         57322.0          1.0
```

```

                                Description
0  Metro - Counties in metro areas of 250,000 to ...
1  Metro - Counties in metro areas of fewer than ...
2  Nonmetro - Urban population of 2,500 to 19,999...
3  Metro - Counties in metro areas of 1 million p...
4  Metro - Counties in metro areas of 1 million p...
```

```
[4]: # setting metro status as a categorical feature with metro being 1 and nonmetro
      ↪ being 0
codes['Metro Status'] = (codes['RUCC_2013'] <= 3)*1
```

```
[5]: # trimming codes table by selecting only variables that are needed
codes = codes[['FIPS', 'Metro Status']]
```

```
[6]: # dropping nan values from codes
codes.dropna(inplace = True)

# changing FIPS to int to remove the decimal place
codes['FIPS'] = codes['FIPS'].astype(int)
```

```
[7]: # print head of data to see what I'm working with
data.head()
```

```
[7]:      FIPS Geographic Identifier  Area Name  Qualifying Name  \
0   Geo_FIPS          Geo_GEOID      Geo_NAME      Geo_QName
```

1	01001	05000US01001	Autauga County	Autauga County, Alabama
2	01003	05000US01003	Baldwin County	Baldwin County, Alabama
3	01005	05000US01005	Barbour County	Barbour County, Alabama
4	01007	05000US01007	Bibb County	Bibb County, Alabama

	State Postal Abbreviation	Summary Level	Geographic Component	\
0	Geo_STUSAB	Geo_SUMLEV	Geo_GEOCOMP	
1	al	050	00	
2	al	050	00	
3	al	050	00	
4	al	050	00	

	File identification	Logical Record Number	US	...	\
0	Geo_FILEID	Geo_LOGRECNO	Geo_US	...	
1	ACSSF	0000013	NaN	...	
2	ACSSF	0000014	NaN	...	
3	ACSSF	0000015	NaN	...	
4	ACSSF	0000016	NaN	...	

	Average Commute to Work (In Min)	Total Population:.2	\
0	SE_A09003_001	SE_A06001_001	
1	24	55380	
2	27	212830	
3	22	25361	
4	30	22493	

	Total Population: Native Born	Total Population: Foreign Born	\
0	SE_A06001_002	SE_A06001_003	
1	54081	1299	
2	204906	7924	
3	24672	689	
4	22153	340	

	Total Population: Foreign Born: Naturalized Citizen	\
0	SE_A06001_004	
1	750	
2	3650	
3	335	
4	140	

	Total Population: Foreign Born: Not a Citizen	\
0	SE_A06001_005	
1	549	
2	4274	
3	354	
4	200	

	% Total Population: Native Born	% Total Population: Foreign Born \
0	PCT_SE_A06001_002	PCT_SE_A06001_003
1	97.65	2.35
2	96.28	3.72
3	97.28	2.72
4	98.49	1.51

	% Total Population: Foreign Born: Naturalized Citizen \
0	PCT_SE_A06001_004
1	1.35
2	1.71
3	1.32
4	0.62

	% Total Population: Foreign Born: Not a Citizen
0	PCT_SE_A06001_005
1	0.99
2	2.01
3	1.4
4	0.89

[5 rows x 193 columns]

```
[8]: # drop first row
data = data.drop(index = 0)
```

```
[9]: # set fips column in data as int to match the data type in the codes table
data['FIPS'] = data['FIPS'].astype(int)
```

```
[10]: # merging data and codes via an inner join
data = data.set_index('FIPS').join(codes.set_index('FIPS'), how = 'inner')
```

```
[11]: # dropping nan values within these features so they don't get dropped
data.dropna(subset = ['Average Gross Rent for Renter-Occupied Housing Units'],
            inplace = True)
data.dropna(subset = ['Average Commute to Work (In Min)'], inplace = True)

# drop all columns with nan values
data = data.dropna(axis = 'columns')

# rename geographic identifier for county
data.rename(columns = {'Qualifying Name': 'County'}, inplace = True)

# append county to the index
data.set_index(['County'], append = True, inplace = True)

# drop unnecessary geographic columns
```

```
data = data.drop(columns = ['Geographic Identifier', 'Area Name', 'State Postal_
↳Abbreviation',
                           'Summary Level', 'Geographic Component', 'File_
↳identification',
                           'Logical Record Number', 'State (FIPS Code)',_
↳'County of current residence'])

# drop duplicated columns
data = data.drop(columns = ['Total Population:', 'Total Population:.1', 'Total_
↳Population:.2',
                           'Total Employed Civilian Population 16 Years and_
↳Over'])
```

```
[12]: # changing all data values to numeric
data = data.apply(pd.to_numeric)
```

```
[13]: # creating features

# percentage of population that is living in poverty
data['Poverty Level'] = (data['Population Under 18 Years of Age for Whom_
↳Poverty Status Is Determined: Living in Poverty'] +
                        data['Population Age 18 to 64 for Whom Poverty Status _
↳Is Determined: Living in Poverty'] +
                        data['Population Age 65 and Over for Whom Poverty _
↳Status Is Determined: Living in Poverty'])*100/data['Total Population']

# percentage of adults with at least a bachelor's degree
data["Bachelor's or more"] = (data["Population 25 Years and Over: Bachelor's_
↳Degree"] +
                              data["Population 25 Years and Over: Master's_
↳Degree"] +
                              data["Population 25 Years and Over: Professional_
↳School Degree"] +
                              data["Population 25 Years and Over: Doctorate_
↳Degree"])*100/data['Population 25 Years and Over:']
```

```
[14]: # renaming features
data.rename(columns = {'Median Household Income (In 2019 Inflation Adjusted_
↳Dollars)': 'Median Household Income',
                      'Average Gross Rent for Renter-Occupied Housing Units':_
↳'Average Rent',
                      'Median Age:': 'Median Age',
                      'Average Commute to Work (In Min)': 'Average Commute_
↳Time',
                      '% Population 16 Years and Over: in Labor Force:_
↳Civilian: Unemployed': 'Unemployment Rate',
```

```

        '% Total Population: Female': 'Female',
        '% Total Population: Foreign Born': 'Immigrant',
        '% Total Population: Black or African American Alone':
↪ 'African American',
        '% Total Population: Hispanic or Latino': 'Hispanic',
        '% Female Population 16 Years and Over: in Labor Force':
↪ 'Female Labor Force Participation Rate',
        '% Employed Civilian Population 16 Years and Over':
↪ 'Manufacturing': 'Manufacturing',
        '% Employed Civilian Population 16 Years and Over':
↪ 'Agriculture, Forestry, Fishing and Hunting, and Mining': 'Agriculture and
↪ Mining'}, inplace = True)

```

```

[15]: # reordering features and dropping columns that are unnecessary
data = data[['Unemployment Rate', 'Female Labor Force Participation Rate',
↪ 'Female', 'African American', 'Hispanic',
        "Bachelor's or more", 'Manufacturing', 'Agriculture and Mining',
↪ 'Immigrant', 'Poverty Level', 'Median Age',
        'Average Household Size', 'Median Household Income', 'Average
↪ Rent', 'Average Commute Time', 'Metro Status']]

```

```

[16]: # check out head of data to make sure everything looks correct
data.head()

```

```

[16]:
Unemployment Rate \
FIPS County
1001 Autauga County, Alabama      2.13
1003 Baldwin County, Alabama     2.45
1005 Barbour County, Alabama     4.11
1007 Bibb County, Alabama        3.56
1009 Blount County, Alabama      1.66

Female Labor Force Participation Rate  Female \
FIPS County
1001 Autauga County, Alabama          51.51   51.37
1003 Baldwin County, Alabama          52.82   51.37
1005 Barbour County, Alabama          44.66   47.08
1007 Bibb County, Alabama             49.60   45.98
1009 Blount County, Alabama           44.18   50.60

African American  Hispanic  Bachelor's or more \
FIPS County
1001 Autauga County, Alabama      19.03      2.83      26.571574
1003 Baldwin County, Alabama       9.26      4.56      31.862460
1005 Barbour County, Alabama      47.58      4.36      11.578713
1007 Bibb County, Alabama         22.29      2.57      10.378525
1009 Blount County, Alabama        1.61      9.26      13.093413

```

FIPS County	Manufacturing	Agriculture and Mining \
1001 Autauga County, Alabama	12.95	0.87
1003 Baldwin County, Alabama	9.25	1.21
1005 Barbour County, Alabama	23.05	5.72
1007 Bibb County, Alabama	16.90	3.86
1009 Blount County, Alabama	17.16	2.08

FIPS County	Immigrant	Poverty Level	Median Age \
1001 Autauga County, Alabama	2.35	15.059588	38.2
1003 Baldwin County, Alabama	3.72	10.197810	43.0
1005 Barbour County, Alabama	2.72	27.108553	40.4
1007 Bibb County, Alabama	1.51	16.627395	40.9
1009 Blount County, Alabama	4.54	13.416896	40.7

FIPS County	Average Household Size	Median Household Income \
1001 Autauga County, Alabama	2.56	58731
1003 Baldwin County, Alabama	2.59	58320
1005 Barbour County, Alabama	2.41	32525
1007 Bibb County, Alabama	2.99	47542
1009 Blount County, Alabama	2.74	49358

FIPS County	Average Rent	Average Commute Time	Metro Status
1001 Autauga County, Alabama	980.419948	24	1
1003 Baldwin County, Alabama	941.294799	27	1
1005 Barbour County, Alabama	546.168582	22	0
1007 Bibb County, Alabama	560.294952	30	1
1009 Blount County, Alabama	555.809222	34	1

```
[17]: # check out shape of the data
data.shape
```

```
[17]: (3216, 16)
```

```
[18]: # check out data type to make sure everything looks correct
data.info()
```

```
<class 'pandas.core.frame.DataFrame'>
MultiIndex: 3216 entries, (1001, 'Autauga County, Alabama') to (72153, 'Yauco
Municipio, Puerto Rico')
Data columns (total 16 columns):
#   Column                                Non-Null Count  Dtype
---  -
0   Unemployment Rate                     3216 non-null   float64
```

```

1 Female Labor Force Participation Rate 3216 non-null float64
2 Female 3216 non-null float64
3 African American 3216 non-null float64
4 Hispanic 3216 non-null float64
5 Bachelor's or more 3216 non-null float64
6 Manufacturing 3216 non-null float64
7 Agriculture and Mining 3216 non-null float64
8 Immigrant 3216 non-null float64
9 Poverty Level 3216 non-null float64
10 Median Age 3216 non-null float64
11 Average Household Size 3216 non-null float64
12 Median Household Income 3216 non-null int64
13 Average Rent 3216 non-null float64
14 Average Commute Time 3216 non-null int64
15 Metro Status 3216 non-null int32

```

dtypes: float64(13), int32(1), int64(2)

memory usage: 772.4+ KB

```
[19]: # check out descriptive statistics of the data
data.describe()
```

```
[19]:      Unemployment Rate  Female Labor Force Participation Rate      Female \
count      3216.000000      3216.000000  3216.000000
mean         3.078759         53.656878   49.964471
std          1.554574          7.565923    2.346874
min           0.000000         18.110000   27.280000
25%           2.190000         48.880000   49.430000
50%           2.880000         54.100000   50.390000
75%           3.680000         59.022500   51.170000
max          15.560000         77.580000   57.190000

```

```
      African American      Hispanic  Bachelor's or more  Manufacturing \
count      3216.000000      3216.000000      3216.000000      3216.000000
mean         9.159356      11.571688        21.985656        12.249238
std         14.622991      19.385061         9.491006         7.092657
min           0.000000         0.000000         1.047120         0.000000
25%           0.727500         2.260000        15.424850         6.847500
50%           2.395000         4.380000        19.629423        11.330000
75%          10.282500        10.392500        25.958667        16.560000
max          87.230000        99.980000        77.557411        47.530000

```

```
      Agriculture and Mining      Immigrant  Poverty Level  Median Age \
count      3216.000000      3216.000000      3216.000000      3216.000000
mean         6.427453         4.686807        15.302330        41.437158
std          7.188999         5.697437         7.838040         5.337611
min           0.000000         0.000000         2.355808        22.300000
25%           1.650000         1.330000        10.402349        38.300000

```



50%	3.915000	2.675000	13.808197	41.300000
75%	8.272500	5.590000	18.142045	44.500000
max	59.640000	53.720000	64.493827	67.400000

	Average Household Size	Median Household Income	Average Rent \
count	3216.000000	3216.000000	3216.000000
mean	2.521210	52652.674440	700.829105
std	0.275519	14981.141925	267.697479
min	1.410000	12441.000000	84.057971
25%	2.350000	43539.250000	534.910945
50%	2.480000	51493.000000	648.983460
75%	2.640000	59519.250000	813.529932
max	4.140000	142299.000000	2301.892381

	Average Commute Time	Metro Status
count	3216.000000	3216.000000
mean	23.964552	0.384017
std	5.900364	0.486438
min	5.000000	0.000000
25%	20.000000	0.000000
50%	24.000000	0.000000
75%	28.000000	1.000000
max	53.000000	1.000000

```
[20]: # creating pickle
data.to_pickle('final_project.pkl')
```

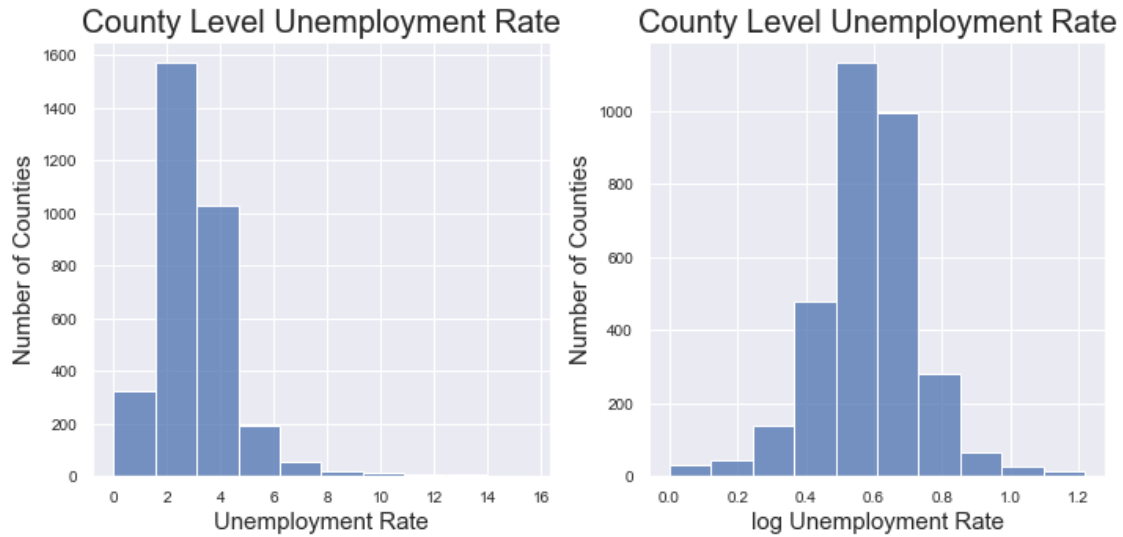
### 3 Label Figure

```
[21]: # transforming data with log(y + 1)
data['log Unemployment Rate'] = np.log10(data['Unemployment Rate'] + 1)
```

```
[22]: plt.subplot(1, 2, 1)
sns.histplot(data = data, x = 'Unemployment Rate', bins = 10)
plt.title('County Level Unemployment Rate')
plt.ylabel('Number of Counties')
plt.xlabel('Unemployment Rate')

plt.subplot(1, 2, 2)
sns.histplot(data = data, x = 'log Unemployment Rate', bins = 10)
plt.title('County Level Unemployment Rate')
plt.ylabel('Number of Counties')
plt.xlabel('log Unemployment Rate')

plt.tight_layout()
```



A log transformation is appropriate for the label. However, because some of the values of the label are equal to 0, I used  $\log(y + 1)$  to transform the data.

```
[23]: data.drop(columns = 'Unemployment Rate', inplace = True)
```

## 4 Feature Transformations

```
[24]: sns.set(rc = {'axes.titlesize': 15,
                    'axes.labelsize': 10,
                    'figure.figsize': (15, 15)})

plt.subplot(4, 4, 1)
sns.histplot(data = data, x = 'Female Labor Force Participation Rate', bins = 10)
plt.title('Female Labor Force Participation Rate')
plt.ylabel('Number of Counties')
plt.xlabel('Female Labor Force Participation Rate')

plt.subplot(4, 4, 2)
sns.histplot(data = data, x = 'Female', bins = 10)
plt.title('Female')
plt.ylabel('Number of Counties')
plt.xlabel('Percentage of Population that is Female')

plt.subplot(4, 4, 3)
sns.histplot(data = data, x = 'African American', bins = 10)
plt.title('African American')
```

```

plt.ylabel('Number of Counties')
plt.xlabel('Percentage of Population that is African American')

plt.subplot(4, 4, 4)
sns.histplot(data = data, x = 'Hispanic', bins = 10)
plt.title('Hispanic')
plt.ylabel('Number of Counties')
plt.xlabel('Percentage of Population that is Hispanic')

plt.subplot(4, 4, 5)
sns.histplot(data = data, x = "Bachelor's or more", bins = 10)
plt.title("Bachelor's or more")
plt.ylabel('Number of Counties')
plt.xlabel("Percentage of Population with at least a Bachelor's Degree")

plt.subplot(4, 4, 6)
sns.histplot(data = data, x = 'Manufacturing', bins = 10)
plt.title('Manufacturing')
plt.ylabel('Number of Counties')
plt.xlabel('Percentage of Population working in Manufacturing')

plt.subplot(4, 4, 7)
sns.histplot(data = data, x = 'Agriculture and Mining', bins = 10)
plt.title('Agriculture and Mining')
plt.ylabel('Number of Counties')
plt.xlabel('Percentage of Population working in Agriculture or Mining')

plt.subplot(4, 4, 8)
sns.histplot(data = data, x = 'Immigrant', bins = 10)
plt.title('Immigrants')
plt.ylabel('Number of Counties')
plt.xlabel('Percentage of Population that are Immigrants')

plt.subplot(4, 4, 9)
sns.histplot(data = data, x = 'Poverty Level', bins = 10)
plt.title('Poverty Level')
plt.ylabel('Number of Counties')
plt.xlabel('Percentage of Population Living Below Poverty Level')

plt.subplot(4, 4, 10)
sns.histplot(data = data, x = 'Median Age', bins = 10)
plt.title('Median Age')
plt.ylabel('Number of Counties')
plt.xlabel('Median Age')

plt.subplot(4, 4, 11)
sns.histplot(data = data, x = 'Average Household Size', bins = 10)

```

```

plt.title('Average Household Size')
plt.ylabel('Number of Counties')
plt.xlabel('Average Household Size')

plt.subplot(4, 4, 12)
sns.histplot(data = data, x = 'Median Household Income', bins = 10)
plt.title('Median Household Income')
plt.ylabel('Number of Counties')
plt.xlabel('Median Household Income (USD)')

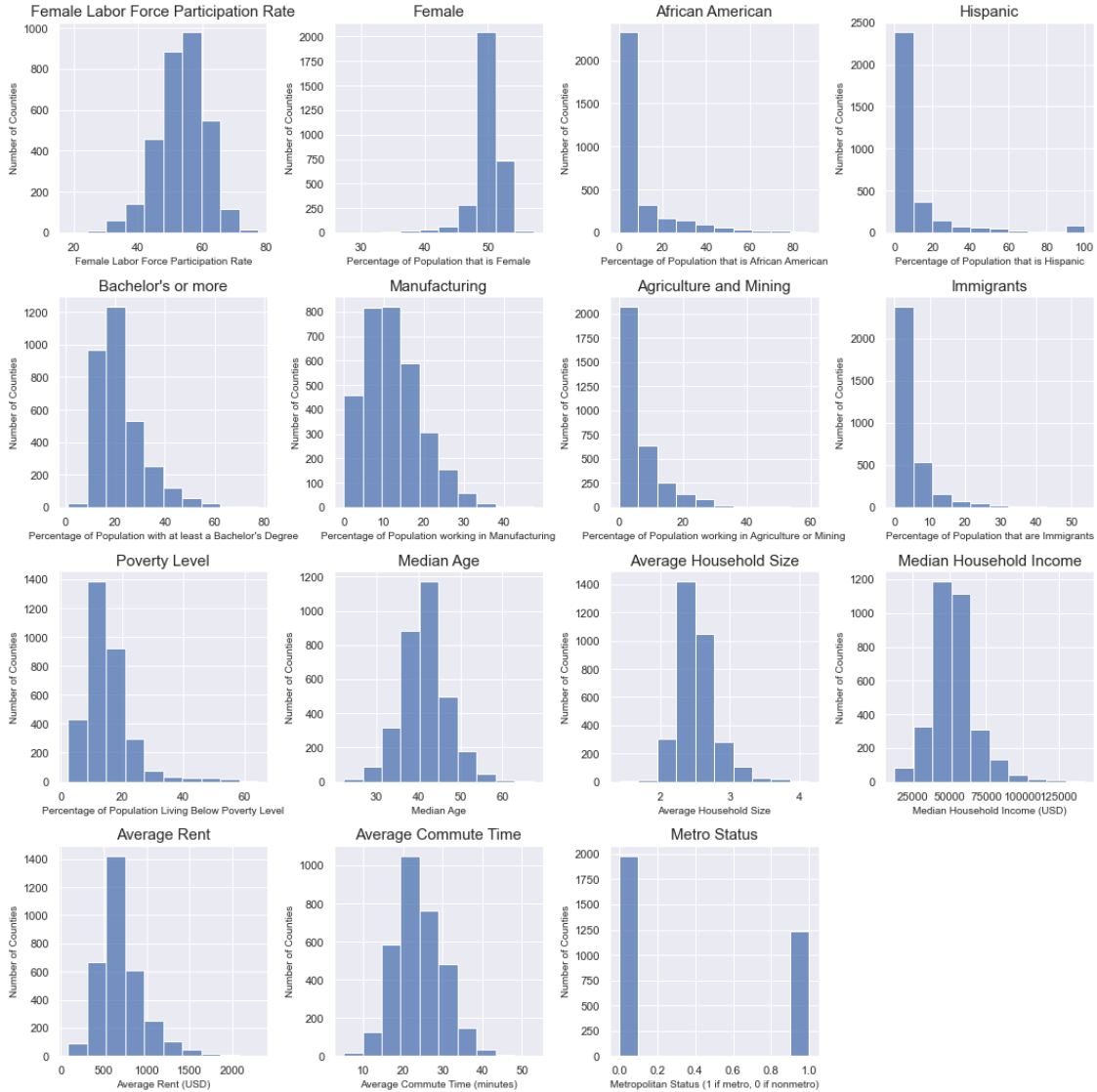
plt.subplot(4, 4, 13)
sns.histplot(data = data, x = 'Average Rent', bins = 10)
plt.title('Average Rent')
plt.ylabel('Number of Counties')
plt.xlabel('Average Rent (USD)')

plt.subplot(4, 4, 14)
sns.histplot(data = data, x = 'Average Commute Time', bins = 10)
plt.title('Average Commute Time')
plt.ylabel('Number of Counties')
plt.xlabel('Average Commute Time (minutes)')

plt.subplot(4, 4, 15)
sns.histplot(data = data, x = 'Metro Status', bins = 10)
plt.title('Metro Status')
plt.ylabel('Number of Counties')
plt.xlabel('Metropolitan Status (1 if metro, 0 if nonmetro)')

plt.tight_layout()

```



The features that need transformations are Female, African American, Hispanic, Bachelor's or more, Manufacturing, Agriculture and Mining, Immigrants and Poverty Level.

```
[25]: data['cube Female'] = np.power(data['Female'], 3)
data = data.drop(columns = 'Female')

data['log African American'] = np.log10(data['African American'] + 1)
data = data.drop(columns = 'African American')

data['log Hispanic'] = np.log10(data['Hispanic'] + 1)
data = data.drop(columns = 'Hispanic')

data["log Bachelor's or more"] = np.log10(data["Bachelor's or more"] + 1)
```

```

data = data.drop(columns = "Bachelor's or more")

data['log Agriculture and Mining'] = np.log10(data['Agriculture and Mining'] + 1)
data = data.drop(columns = 'Agriculture and Mining')

data['log Poverty Level'] = np.log10(data['Poverty Level'] + 1)
data = data.drop(columns = 'Poverty Level')

data['log Immigrant'] = np.log10(data['Immigrant'] + 1)
data = data.drop(columns = 'Immigrant')

data['log Manufacturing'] = np.log10(data['Manufacturing'] + 1)
data = data.drop(columns = 'Manufacturing')

```

```

[26]: # checking the transformed features
plt.subplot(3, 3, 1)
sns.histplot(data = data, x = 'cube Female', bins = 10)
plt.title('Female')
plt.ylabel('Number of Counties')
plt.xlabel('Cubed Percentage of Population that is Female')

plt.subplot(3, 3, 2)
sns.histplot(data = data, x = 'log African American', bins = 10)
plt.title('African American')
plt.ylabel('Number of Counties')
plt.xlabel('log Percentage of Population that is African American')

plt.subplot(3, 3, 3)
sns.histplot(data = data, x = 'log Hispanic', bins = 10)
plt.title('Hispanic')
plt.ylabel('Number of Counties')
plt.xlabel('log Percentage of Population that is Hispanic')

plt.subplot(3, 3, 4)
sns.histplot(data = data, x = "log Bachelor's or more", bins = 10)
plt.title("Bachelor's or more")
plt.ylabel('Number of Counties')
plt.xlabel("log Percentage of Population with at least a Bachelor's Degree")

plt.subplot(3, 3, 5)
sns.histplot(data = data, x = 'log Manufacturing', bins = 10)
plt.title('Manufacturing')
plt.ylabel('Number of Counties')
plt.xlabel('log Percentage of Population working in Manufacturing')

plt.subplot(3, 3, 6)

```

```

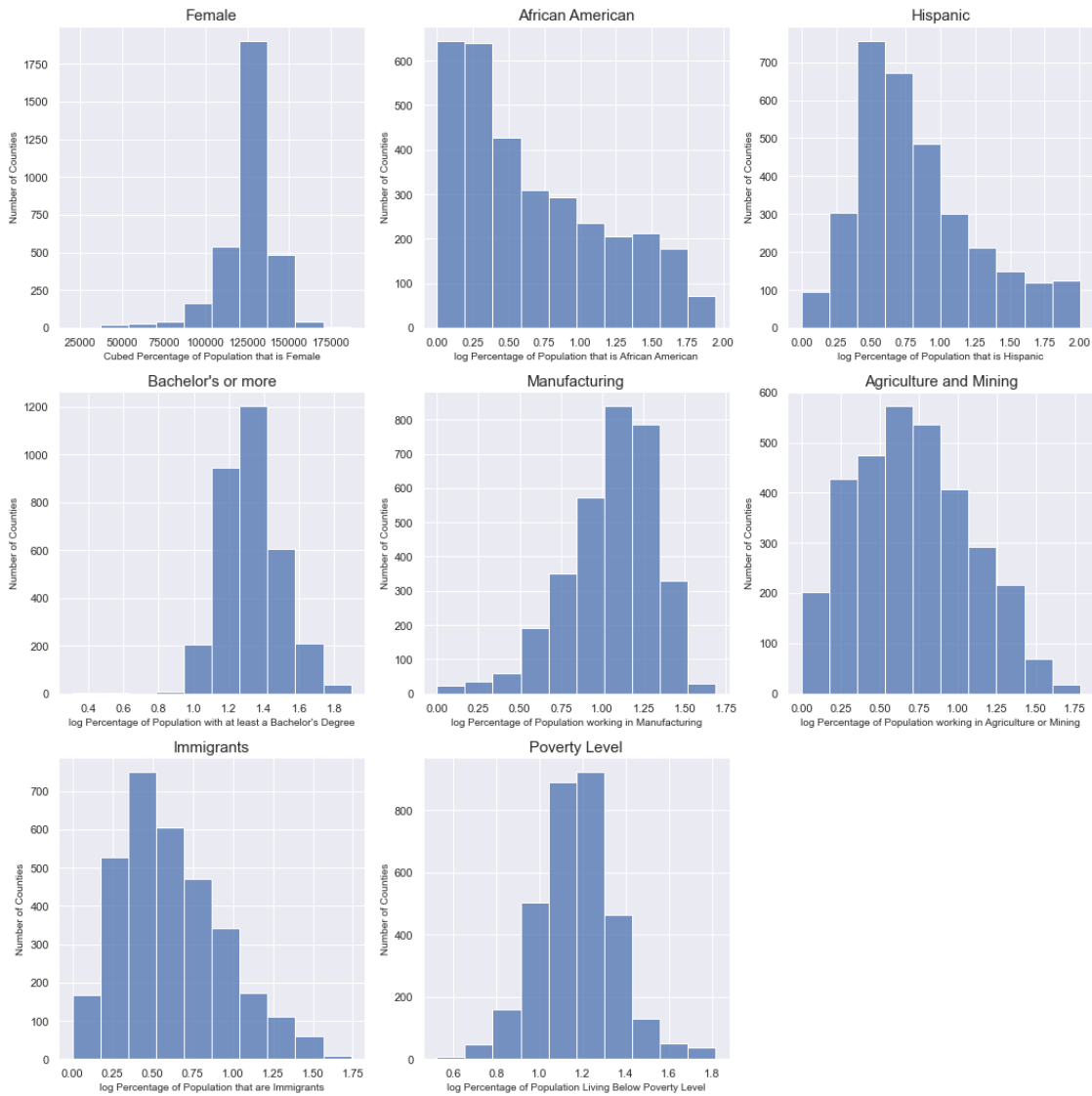
sns.histplot(data = data, x = 'log Agriculture and Mining', bins = 10)
plt.title('Agriculture and Mining')
plt.ylabel('Number of Counties')
plt.xlabel('log Percentage of Population working in Agriculture or Mining')

plt.subplot(3, 3, 7)
sns.histplot(data = data, x = 'log Immigrant', bins = 10)
plt.title('Immigrants')
plt.ylabel('Number of Counties')
plt.xlabel('log Percentage of Population that are Immigrants')

plt.subplot(3, 3, 8)
sns.histplot(data = data, x = 'log Poverty Level', bins = 10)
plt.title('Poverty Level')
plt.ylabel('Number of Counties')
plt.xlabel('log Percentage of Population Living Below Poverty Level')

plt.tight_layout()

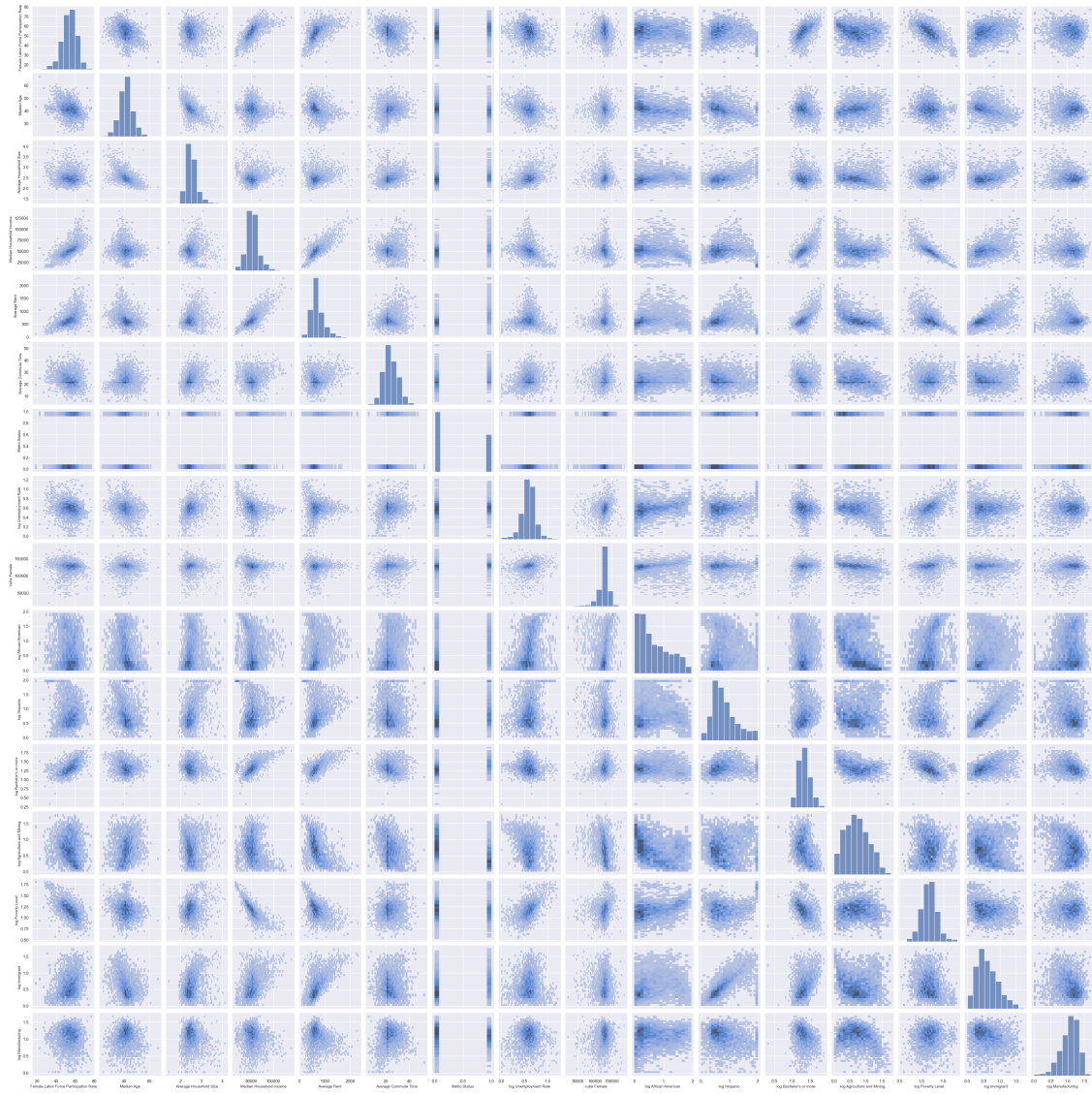
```



## 5 Feature vs Label Figures

```
[27]: sns.set(rc = {'axes.labelsize': 10,})
sns.pairplot(data = data, kind = 'hist',
              diag_kws = {'bins': 10})
plt.show()
```





A lot of the features seem to have a very weak or nonexistent relationship.

It looks like there is a linear relationship between **Average Rent** and **Median Household Income**.

It looks like there is a linear relationship between **Hispanic** and **Immigrant**.

It looks like there is a linear relationship between **Median Household Income** and **Poverty Level**.

It looks like there is a quadratic relationship between **Median Household Income** and **Bachelor's or more**.

```
[28]: sns.set(rc = {'axes.titlesize': 20,
                  'axes.labelsize': 15,
                  'xtick.labelsize': 10,
                  'ytick.labelsize': 10,
```

```

        'figure.figsize': (15, 10)})

plt.subplot(1, 2, 1)
sns.violinplot(data = data, x = 'Metro Status', y = 'log Unemployment Rate')
plt.title('Metro Status')
plt.ylabel('log Unemployment Rate')
plt.xlabel('Metro Status')

plt.subplot(1, 2, 2)
n = 100
bin_mean, bin_edge, _ = binned_statistic(data['Female Labor Force Participation_
↪Rate'], data['log Unemployment Rate'], bins = n)
x = np.average([bin_edge[:-1], bin_edge[1:]], axis = 0)
plt.scatter(x, bin_mean, label = '%d bins' % n)
plt.title('Female Labor Force Participation Rate')
plt.ylabel('log Unemployment Rate')
plt.xlabel('Female Labor Force Participation Rate')

plt.tight_layout()

```



It looks like Unemployment Rate is normally distributed for both metro and nonmetro.

It looks like there is a weak linear relationship between the Unemployment Rate and Female Labor Force Participation Rate.

```
[29]: # updating pickle with transformed features and label  
data.to_pickle('final_project.pkl')
```