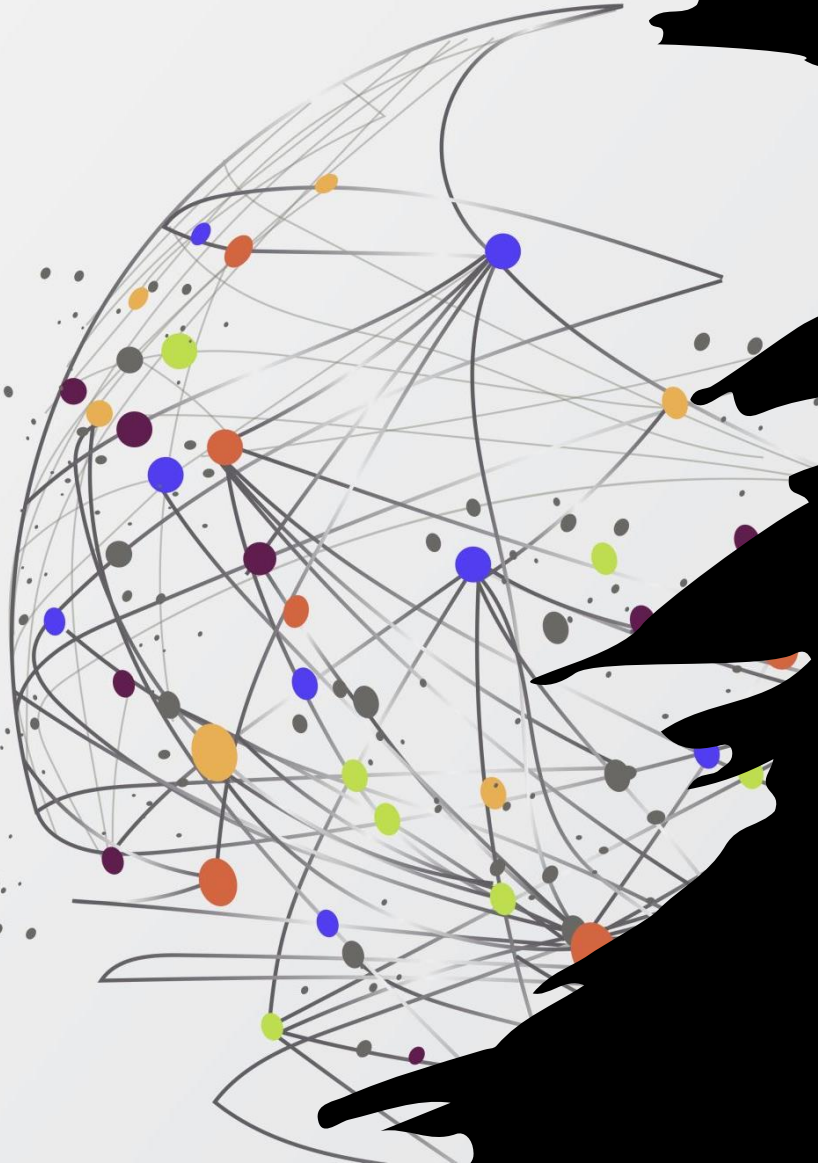


# CREDIT RISK ANALYSIS

UNC DATA ANALYTICS  
GROUP 6

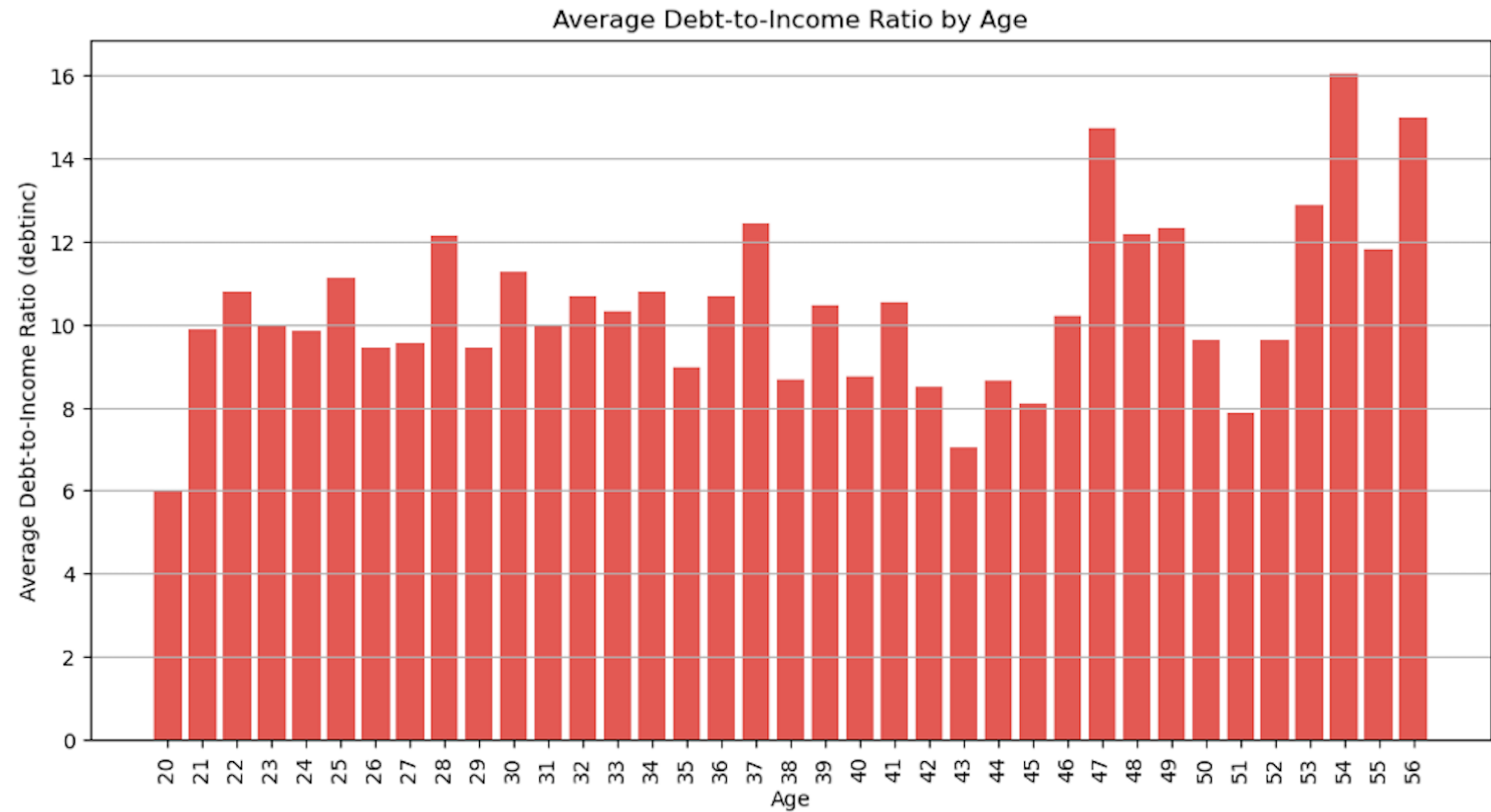
LUIS RODRIGUEZ  
RAHIEM BROOKS  
KAREN LEWSING  
HANNAH ROBINSON



# TACKLING RISKS

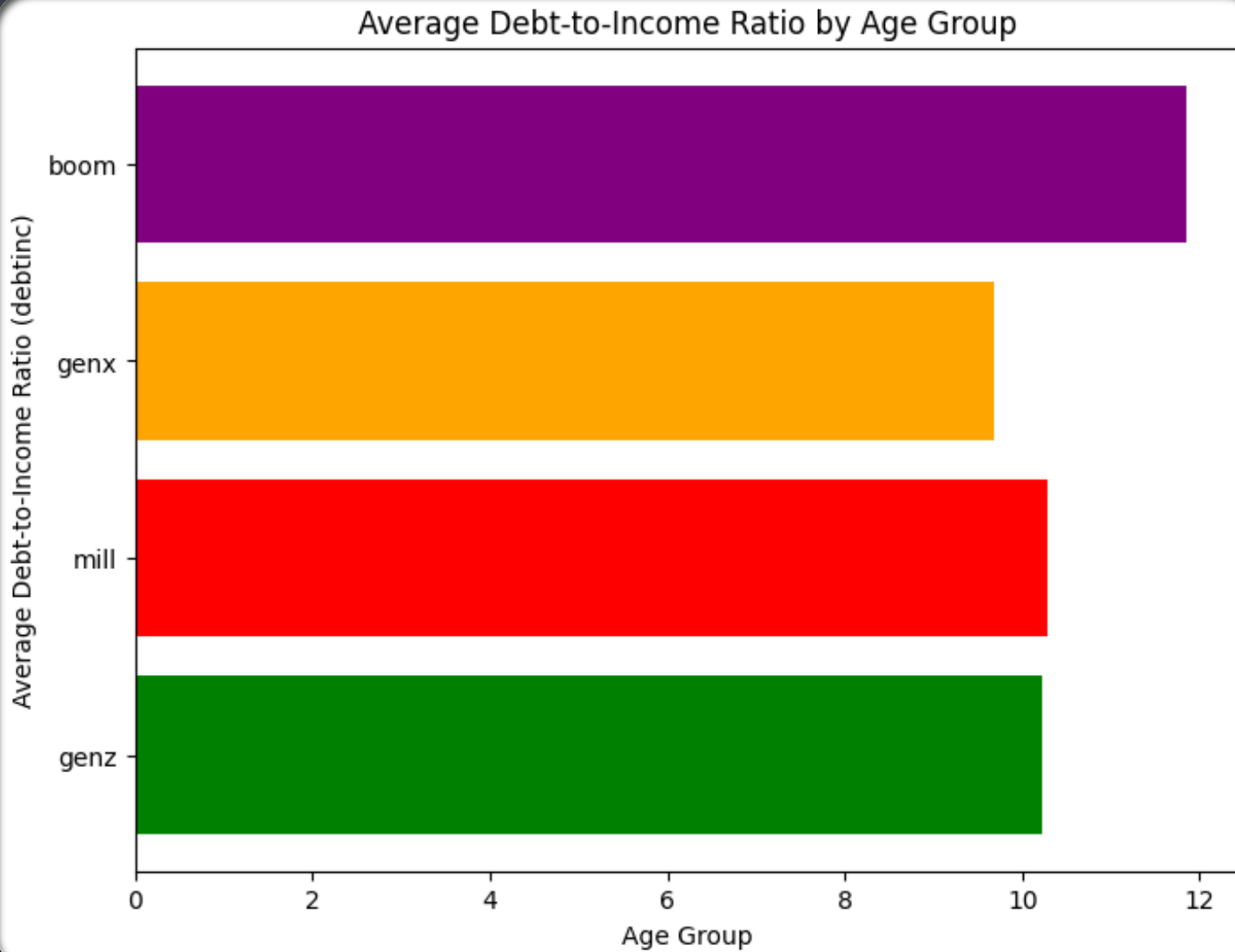






INDIVIDUAL AGE

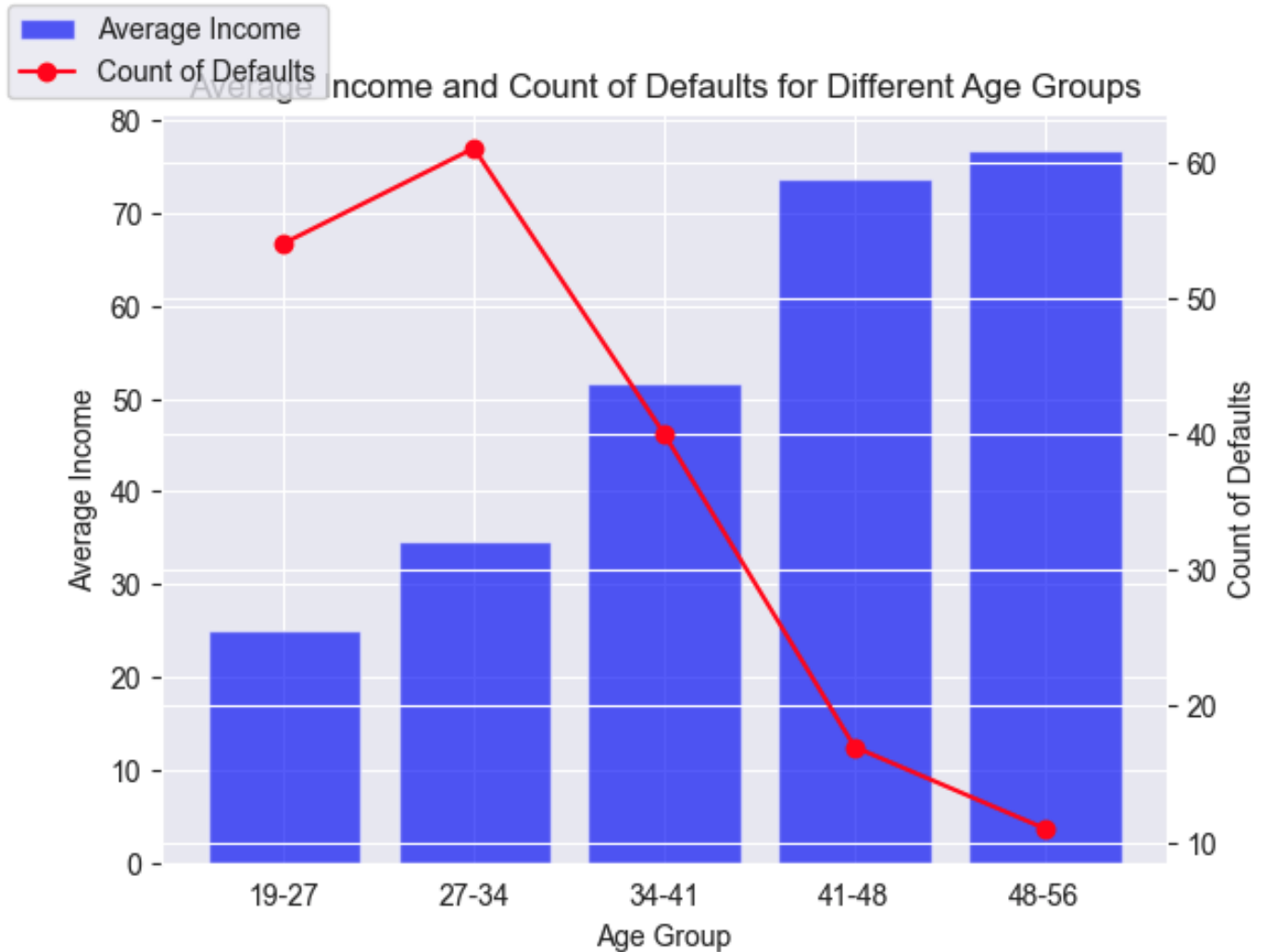
# AGE GROUP



- Boom = 45 to 56
- Genx = 35 to 44
- Mill = 25 to 34
- Genz = 24 and Younger

# GENERATIONAL DEFAULT RATES

BOOMERS ARE  
LEAST LIKELY TO  
DEFAULT ON A  
LOAN





	age	ed	employ	address	income	debtinc	creddebt	othdebt	default
427	43	1	16	7	89	0.4	0.159488	0.196512	0.0
76	24	1	2	1	21	0.6	0.025074	0.100926	0.0
232	38	2	8	16	38	0.6	0.029412	0.198588	0.0
350	41	2	8	21	43	0.7	0.085785	0.215215	0.0
361	35	2	14	3	82	0.8	0.468384	0.187616	0.0
..	...	..	...	...	...	...	...	...	...
492	28	1	0	2	28	33.3	2.284380	7.039620	1.0
584	25	4	0	1	18	33.4	2.801592	3.210408	1.0
122	34	4	6	3	27	35.3	1.982448	7.548552	1.0
583	37	3	16	14	50	36.6	7.320000	10.980000	1.0
373	33	1	14	8	72	41.3	15.016680	14.719320	1.0

Debt **Default** Status  
Accumulated

“0” = Least

“1” = Most

	age	ed	employ	address	income	debtinc	creddebt	othdebt	default
373	33	1	14	8	72	41.3	15.016680	14.719320	1.0
583	37	3	16	14	50	36.6	7.320000	10.980000	1.0
122	34	4	6	3	27	35.3	1.982448	7.548552	1.0
584	25	4	0	1	18	33.4	2.801592	3.210408	1.0
492	28	1	0	2	28	33.3	2.284380	7.039620	1.0
..	...	..	...	...	...	...	...	...	...
361	35	2	14	3	82	0.8	0.468384	0.187616	0.0
350	41	2	8	21	43	0.7	0.085785	0.215215	0.0
232	38	2	8	16	38	0.6	0.029412	0.198588	0.0
76	24	1	2	1	21	0.6	0.025074	0.100926	0.0
427	43	1	16	7	89	0.4	0.159488	0.196512	0.0

**DebtInc = Credit + Other Debt**

- Boom = 45 to 56 (most likely to pay)
- Genx = 35 to 44
- Mill = 25 to 34
- Genz = 24 and Younger



## WHO WILL DEFAULT?

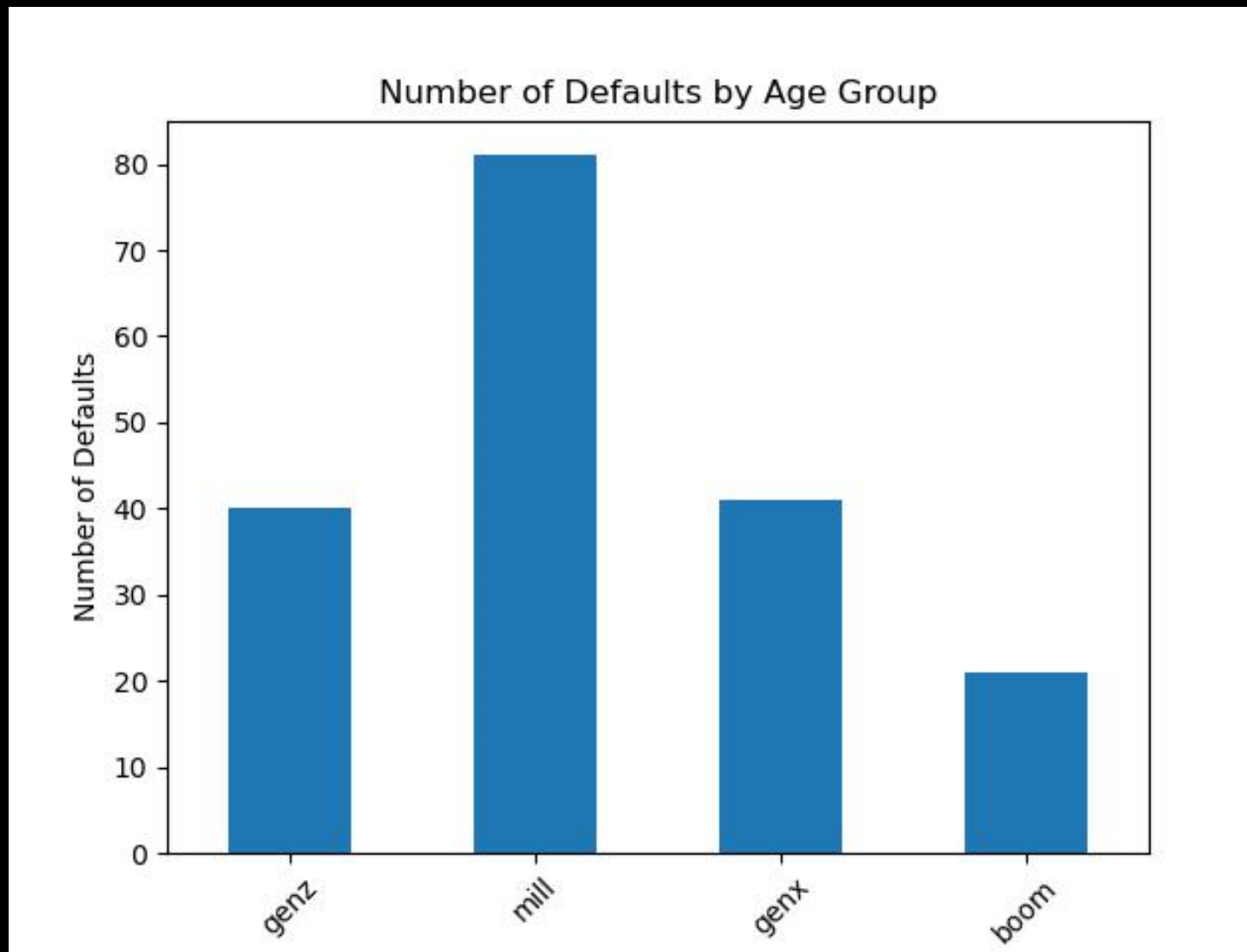
*Total defaults per age group:*

GEN Z = 40

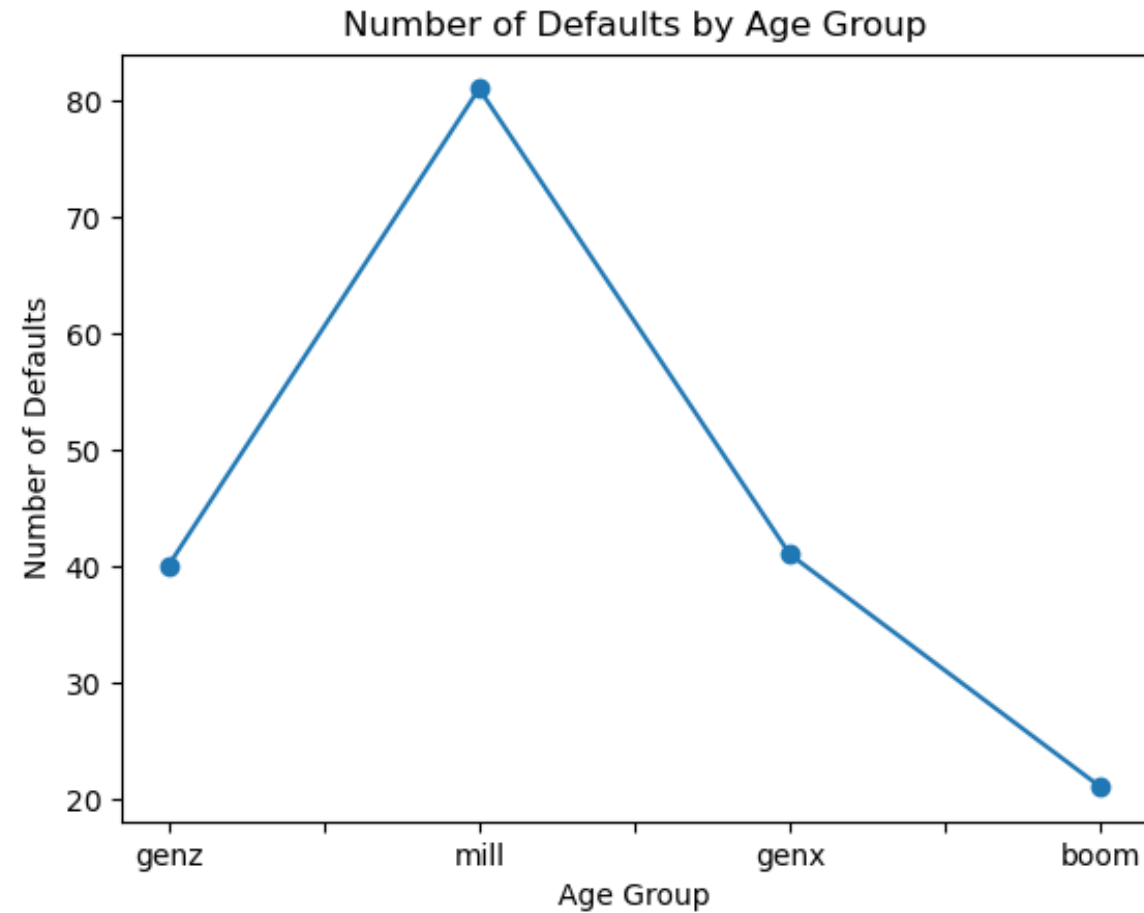
MILLENNIAL = 81

GEN X = 41

BOOM = 21

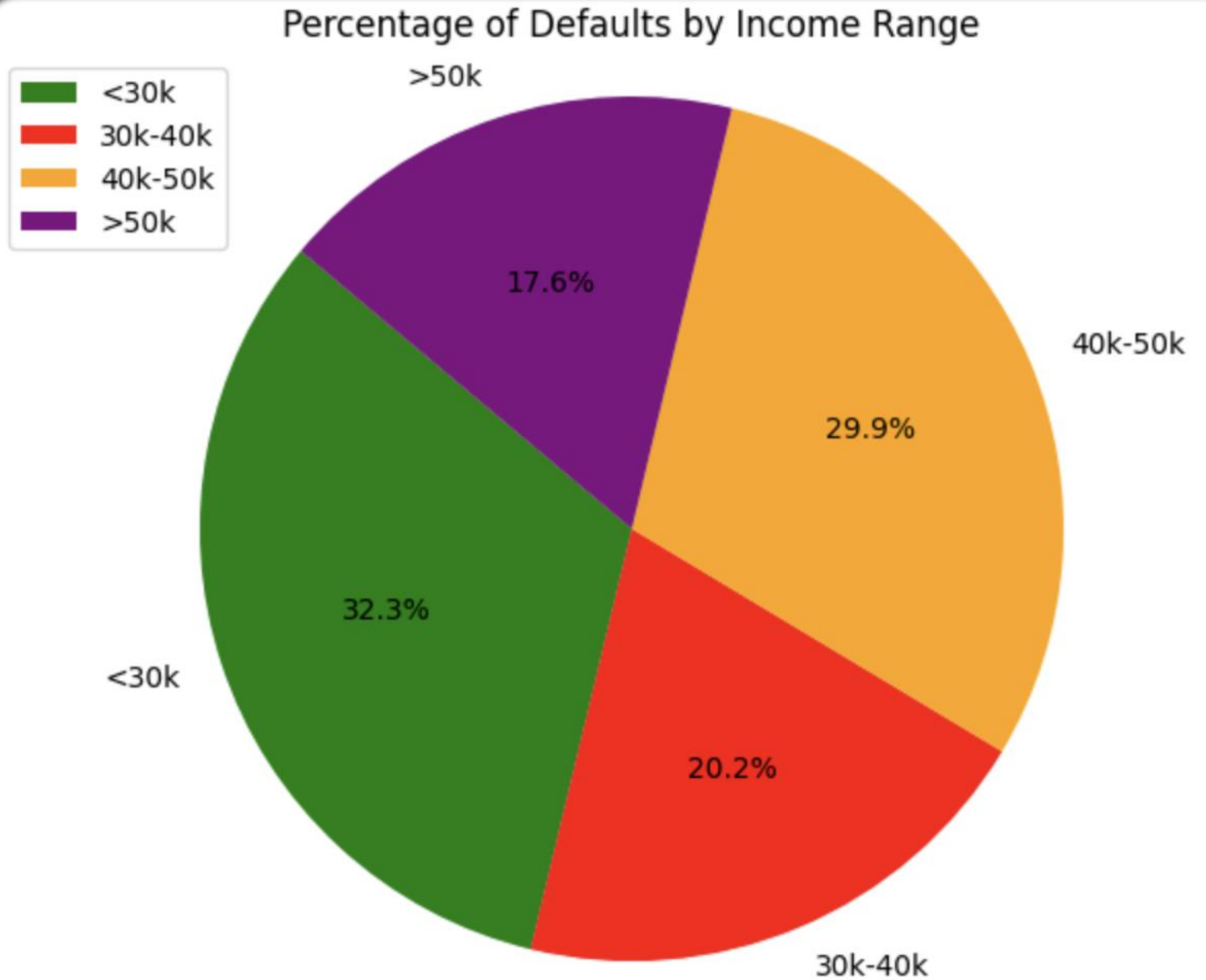


## MOST LIKELY TO DEFAULT MILLENNIALS

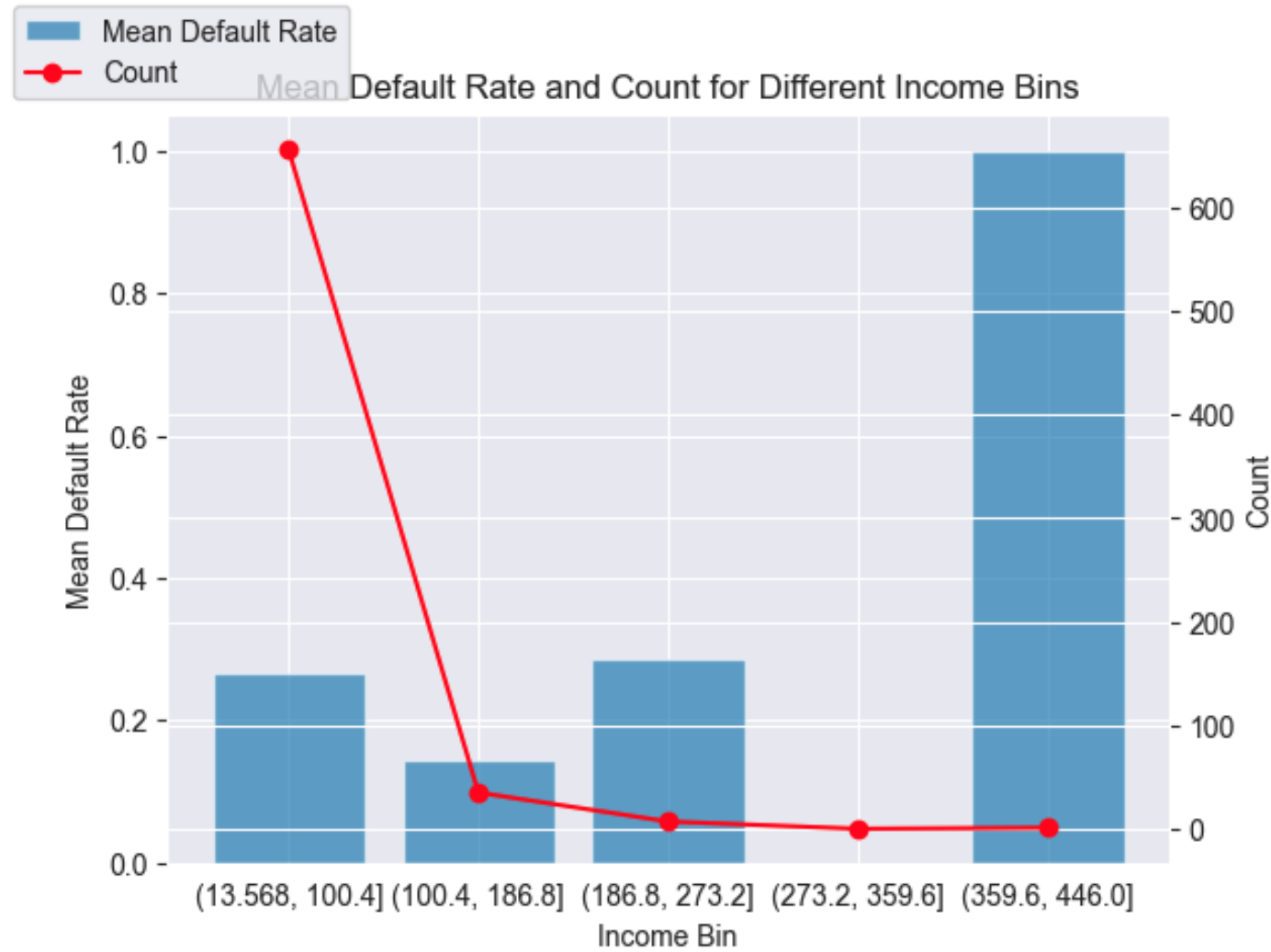




THE HIGHER  
YOUR SALARY,  
THE LESS LIKELY  
YOU ARE TO  
DEFAULT



# THE ROLE INCOME PLAYS IN DETERMINING CREDIT WORTHINESS





# KEY TAKEAWAYS

- CREDIT RISK IS THE POTENTIAL FOR A LENDER TO LOSE MONEY WHEN THEY PROVIDE FUNDS TO A BORROWER.
- YOUR SALARY AND AGE BOTH PLAY A PIVOTAL ROLE IN DETERMINING HOW THE RISK OF LOANING YOU MONEY
- YOUR CREDIT SCORE IS ONE INDICATOR THAT LENDERS USE TO ASSESS HOW LIKELY YOU ARE TO DEFAULT.

