

# FAIR-TAN: Fairness-Aware Income Prediction via Task-Audit Networks

A Dual-Objective Neural Network Approach for Ethical ML

# Overview

## What is FAIR-TAN?

- FAIR-TAN is a machine learning model designed to predict income levels based on demographic and socio-economic data.
- Unlike traditional ML models, FAIR-TAN audits its own predictions for fairness, ensuring that sensitive attributes like sex and race do not lead to biased outcomes.
- It combines two objectives:
  - TaskNet for income prediction.
  - AuditNet for fairness auditing and mitigation of bias.
- The goal is to balance predictive accuracy with fairness in the decision-making process.

## Key Features

- Dual-Objective Architecture: Simultaneously optimizes for task prediction accuracy and fairness.
- Fairness Auditing: Ensures that model predictions are not disproportionately influenced by sensitive attributes.
- Real-World Application: Useful in areas where fairness is critical, like hiring, lending, or public policy.

# Core Components

## TaskNet:

- Function: TaskNet is responsible for predicting whether an individual's income is greater than or less than \$50K.
- Input: Takes demographic and socio-economic features (e.g., age, education, hours worked).
- Output: A predicted class label (either  $\leq 50K$  or  $> 50K$ ).
- Loss Function: The model is trained using cross-entropy loss to minimize prediction error.

## AuditNet:

- Function: AuditNet audits TaskNet's predictions for fairness.
- Input: Receives the output of TaskNet (predicted income class).
- Output: A fairness score that indicates whether the prediction is biased with respect to sensitive attributes.
- Loss Function: AuditNet is trained using binary cross-entropy loss to detect fairness violations.

# Mathematical Formulation (TaskNet Loss)

TaskNet Loss Function (Cross-Entropy):

- Cross-entropy loss is used to evaluate how well TaskNet predicts the income class.

Formula:

$$L_{\text{task}} = -\sum y_i \log(\hat{y}_i)$$

Where:

- $y_i$  is the true income label (0 for  $\leq 50K$ , 1 for  $> 50K$ ).
- $\hat{y}_i$  is the predicted probability from TaskNet.

Why Cross-Entropy?

- Cross-entropy loss is commonly used for classification tasks because it penalizes incorrect predictions, and the penalty increases as the predicted probability diverges from the true label.

# Mathematical Formulation (AuditNet Loss)

AuditNet Loss Function (Binary Cross-Entropy):

- Binary cross-entropy is used to evaluate how well AuditNet detects fairness violations in TaskNet's predictions.

Formula:

$$L_{\text{audit}} = -\sum s_i \log(\hat{s}_i) + (1 - s_i) \log(1 - \hat{s}_i)$$

Where:

- $s_i$  is the sensitive attribute (e.g., sex or race) for the  $i$ -th instance.
- $\hat{s}_i$  is the fairness score predicted by AuditNet.

Why Binary Cross-Entropy?

- Binary cross-entropy is used because AuditNet is essentially classifying whether the model's prediction is biased (binary outcome: biased vs. unbiased).

# Total Loss Function

Combined Objective (TaskNet + AuditNet):

- The model is trained to minimize both task prediction error and fairness violations.

Total Loss Formula:

$$L_{\text{total}} = L_{\text{task}} + \lambda L_{\text{audit}}$$

Where:

- $\lambda$  is a hyperparameter that controls the trade-off between accuracy and fairness.
- When  $\lambda$  is large, the model prioritizes fairness more heavily, even if it sacrifices some predictive accuracy.

Why Combine Losses?

- Combining the losses enables joint optimization, where the model simultaneously improves its predictions while minimizing fairness violations. This way, we address both model performance and ethical considerations in a single unified training process.

# Architecture Overview

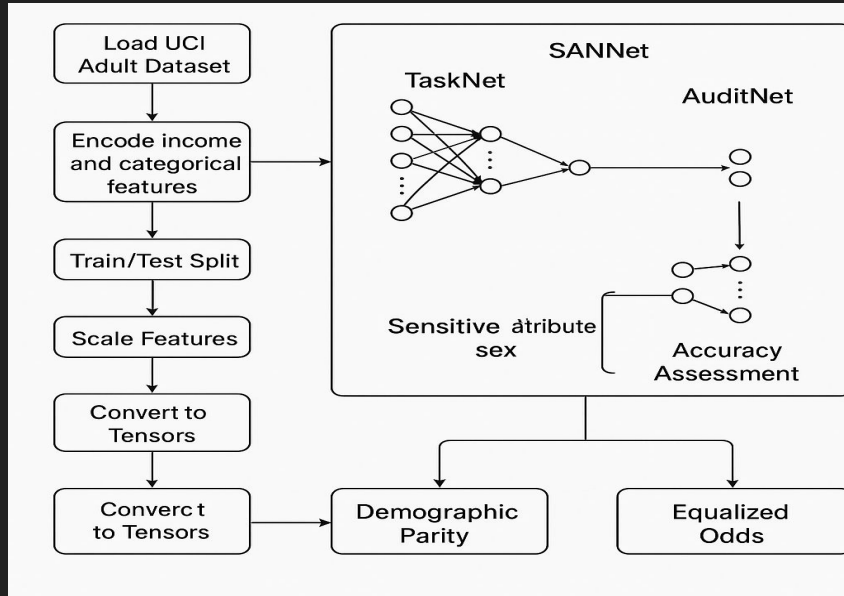
## FAIR-TAN Architecture:

- The architecture consists of two primary networks:
  - TaskNet: A standard feedforward neural network that takes demographic and socio-economic features as input and outputs income class predictions.
  - AuditNet: A second neural network that takes TaskNet's predictions as input and evaluates fairness based on sensitive attributes like sex or race.

## Network Flow:

- Input Features: Demographic and socio-economic data (age, education, hours worked, etc.).
- TaskNet: Produces a predicted income classification ( $\leq 50K$  or  $> 50K$ ).
- AuditNet: Audits the predictions for fairness, generating a fairness score that helps reduce bias.

# Visual View





# Results and Evaluation

## Evaluation Metrics:

- Accuracy: Measures the proportion of correct income predictions.

## Fairness Compliance:

- Demographic Parity: Ensures that different demographic groups receive positive predictions at equal rates.
- Equalized Odds: Ensures that both the False Positive Rate (FPR) and True Positive Rate (TPR) are similar across groups.
- Audit Accuracy: Measures how well AuditNet identifies fairness violations.

## Impact:

- FAIR-TAN ensures that machine learning models do not unfairly favor or disadvantage specific demographic groups.
- This framework can be applied to sensitive areas such as hiring, lending, and law enforcement, where fairness is crucial to avoid discrimination.