VARIANCE INFLATION FACTOR.

There is no defined threshold for A VARIANCE INFLATION factor to be treated as seriously undermining the model.

There is broad consensus that a VIF of 5 or more requires Remedial Action.

* If any predictor variables have a VIF greater than 5, omit the predictor OR a predictor variable that it is highly correlated with.

* (Only omit one predictor at a time).

* The choice of which predictor to omit is based on interpretability of the model; the analyst can decide which to omit.

REMARK

$$VIF = \frac{1}{TOLERANCE}$$