Annual Income Prediction on Adult Data Set

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Content

Exploration:

- Variable Overview
- Distributions
- Missing values
- Correlation
- Scaling

Modelling:

- Logistic Regression (random state = 0)
- Logistic Regression (random state = 60)
- Random Forest (Entropy)
- Random Forest (Gini)
- KNN (k=5)
- KNN (k=10)

Evaluation:

- Compare models
- Accuracy
- P-values
- Confusion Matrices
- Independent Variables
- Model Stability
- Result

```
In [360]: dataset.info()
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 48842 entries, 0 to 48841
Data columns (total 15 columns):
                  48842 non-null int64
age
                 48842 non-null object
workclass
fnlwgt
                 48842 non-null int64
education
                 48842 non-null object
educational-num
                  48842 non-null int64
marital-status
                  48842 non-null object
                  48842 non-null object
occupation
relationship
                  48842 non-null object
                  48842 non-null object
race
                  48842 non-null object
gender
                  48842 non-null int64
capital-gain
                  48842 non-null int64
capital-loss
hours-per-week
                  48842 non-null int64
native-country
                  48842 non-null object
                  48842 non-null object
income
dtypes: int64(6), object(9)
memory usage: 5.6+ MB
```

Is a person's annual income above 50K?

```
In [364]: dataset.head()
Out [364]:
                         education educational-num
  age workclass fnlwgt
                                                          marital-status \
         Private 226802
                                 11th
                                                           Never-married
         Private 89814
                              HS-grad
                                                      Married-civ-spouse
   28 Local-gov 336951
                           Assoc-acdm
                                                   12 Married-civ-spouse
         Private 160323
                         Some-college
                                                   10 Married-civ-spouse
                 103497
                         Some-college
                                                   10
                                                           Never-married
                                               capital-gain capital-loss \
         occupation relationship
                                 race
                                       gender
  Machine-op-inspct
                      Own-child Black
                                         Male
    Farming-fishing
                                         Male
                    Husband White
    Protective-serv
                     Husband White
                                         Male
                                         Male
                                                      7688
  Machine-op-inspct
                      Husband Black
4
                      Own-child
                                White Female
  hours-per-week native-country income
              40 United-States <=50K
                 United-States <=50K
              40 United-States
                               >50K
              40 United-States
                               >50K
              30 United-States <=50K
```

Independent Variables

Numerical (6-many)

- Age
- Fnlwgt
- Education-num (categorical ordinal)
- Capital-gain
- Capital-loss
- Hours-per-week

Categorical (8-many)

- Workclass
- Education
- Marital-status
- Occupation
- Relationship
- Race
- Gender
- Native-country

Dependent Variable

Categorical

• Income: >50K, <=50K

```
income
<=50K 37155
>50K 11687
Name: income, dtype: int64
Number of unique values: 2
```

dataset.describe()

0.000000

4356,000000

75%

max

```
In [51]: dataset.describe()
Out [51]:
                                    educational-num
                           fnlwat
                                                     capital-gain
                age
       48842,000000
                     4.884200e+04
                                       48842.000000
                                                     48842,000000
count
          38.643585
                     1.896641e+05
                                          10.078089
                                                      1079.067626
mean
          13.710510
                                           2.570973
                                                       7452.019058
std
                     1.056040e+05
                                                          0.000000
min
          17.000000
                    1.228500e+04
                                           1.000000
25%
                                                          0.000000
          28.000000
                    1.175505e+05
                                           9.000000
50%
          37.000000
                    1.781445e+05
                                          10.000000
                                                         0.000000
75%
          48.000000
                     2.376420e+05
                                          12.000000
                                                          0.000000
          90.000000
                     1.490400e+06
                                          16.000000
                                                     99999.000000
max
       capital-loss
                     hours-per-week
                       48842.000000
       48842,000000
count
          87.502314
                           40,422382
mean
std
         403.004552
                          12.391444
min
           0.000000
                           1.000000
25%
                          40.000000
           0.000000
50%
           0.000000
                          40.000000
```

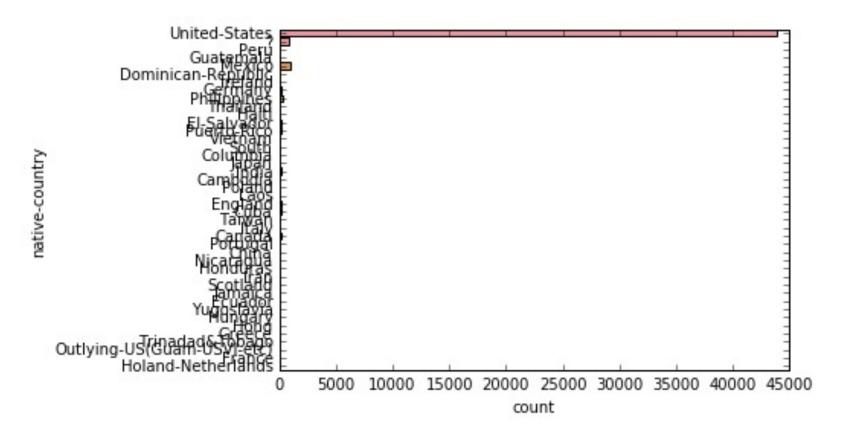
45,000000

99,000000

- age: range from 17 to 90
- fnlwgt: finalweight from 12285 to
- 1490400
- education-num: 1 to 16
- capital-gain: income from investment sources, apart from wages/salary, 0 to 99999
- capital-loss: losses from investment sources, apart from wages/salary, 0 to 4356
- hours-per-week: 1 to 99

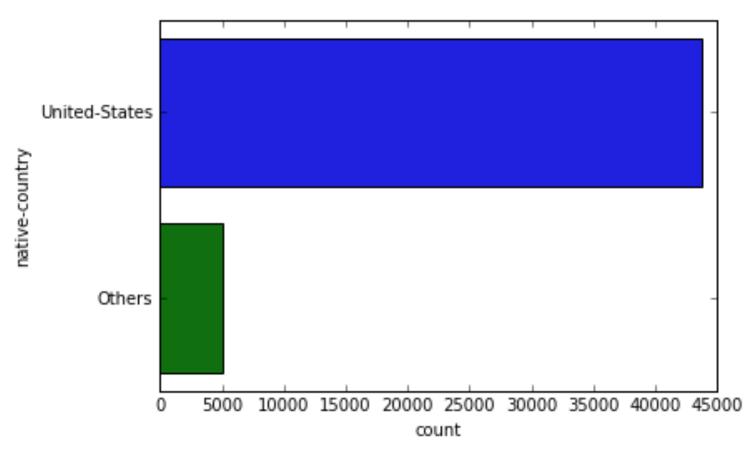
Exploration - Missing Values

- Missing values in the dataset, denoted by "?"
- Approximately 3500 records with missing values: Workclass Occupation Native-country
- Solution:
 - Treat them as missing category(others)



Highly skewed distribution
Solution: grouping some categories

native-country	
United-States	43832
Mexico	951
?	857
Philippines	295
Germany	206
Puerto-Rico	184
Canada	182
El-Salvador	155
India	151
Cuba	138
England	127
China	122
South	115
Jamaica	106
Italy	105
Dominican-Republic	103
Japan	92
Guatemala	88
Poland	87
Vietnam	86
Columbia	85
Haiti	75
Portugal	67
Taiwan	65
Iran	59
Nicaragua	49
Greece	49
Peru	46
Ecuador	45
France	38
Ireland	37
Thailand	30
Hong	30
Cambodia	28
Trinadad&Tobago	27
Outlying-US(Guam-USVI-etc)	23
Laos	23
Yugoslavia	23
Scotland	21
Honduras	20
Hungary	19
Holand-Netherlands	1
Name: native-country, dtype:	int64
Number of unique values: 42	

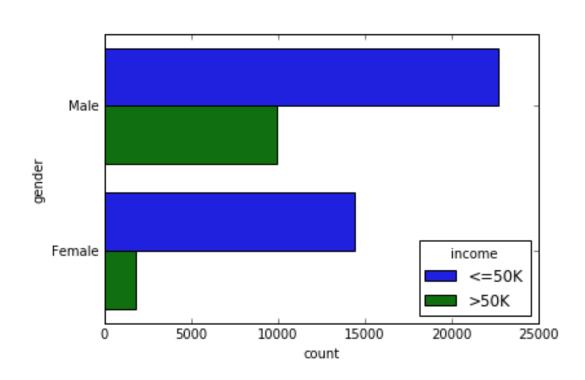


native-country United-States 43832 Others 5010

Name: native-country, dtype: int64

Number of unique values: 2

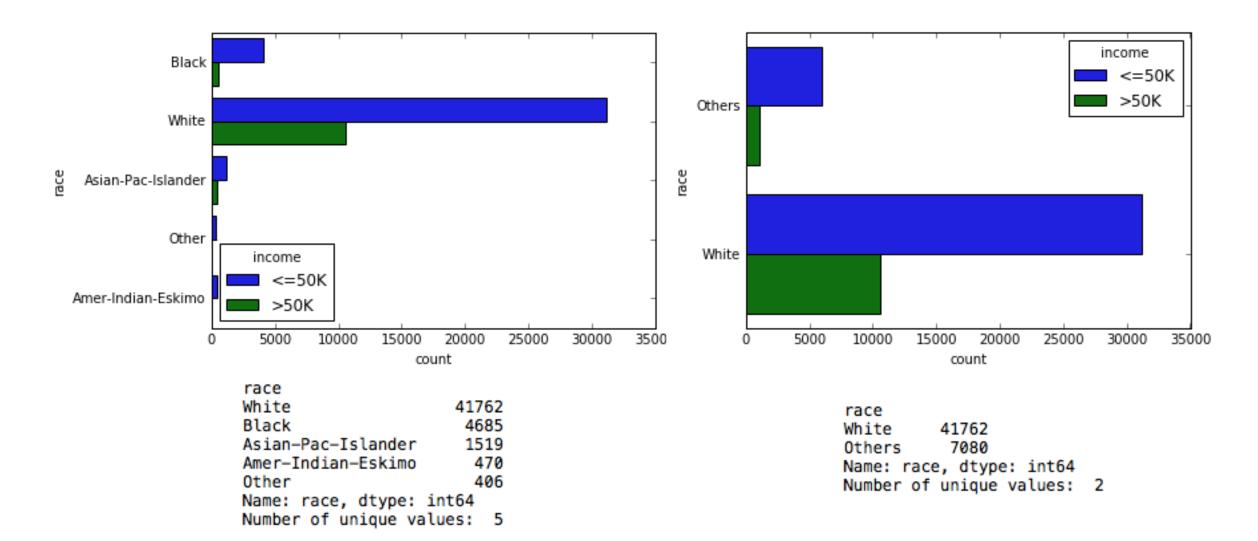
Still skewed but better

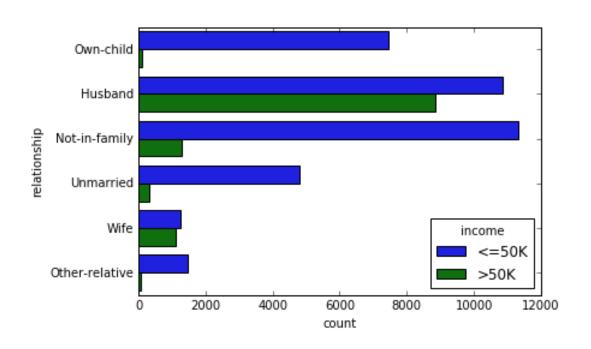


gender

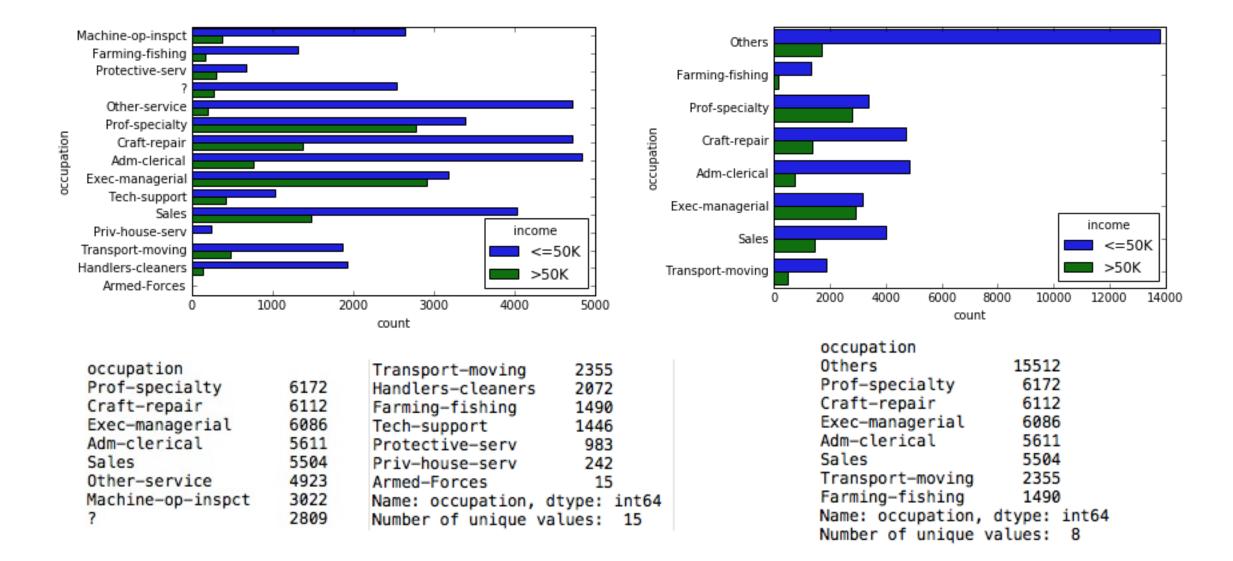
Male 32650 Female 16192

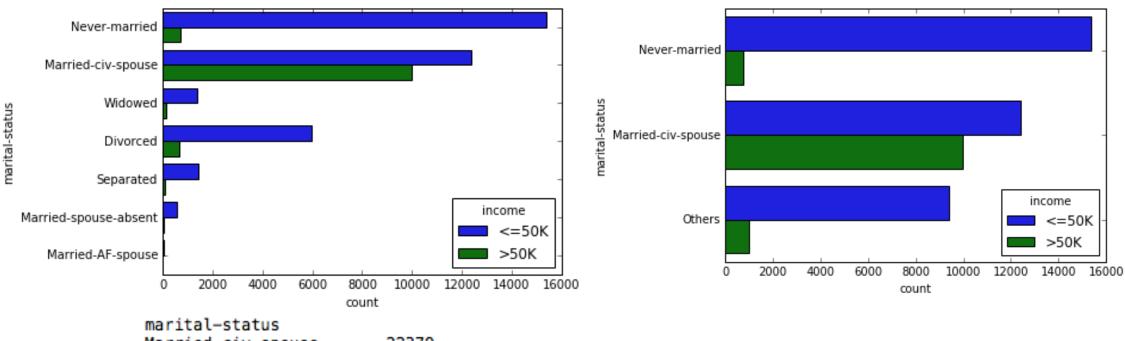
Name: gender, dtype: int64 Number of unique values: 2





relationship
Husband 19716
Not-in-family 12583
Own-child 7581
Unmarried 5125
Wife 2331
Other-relative 1506
Name: relationship, dtype: int64
Number of unique values: 6





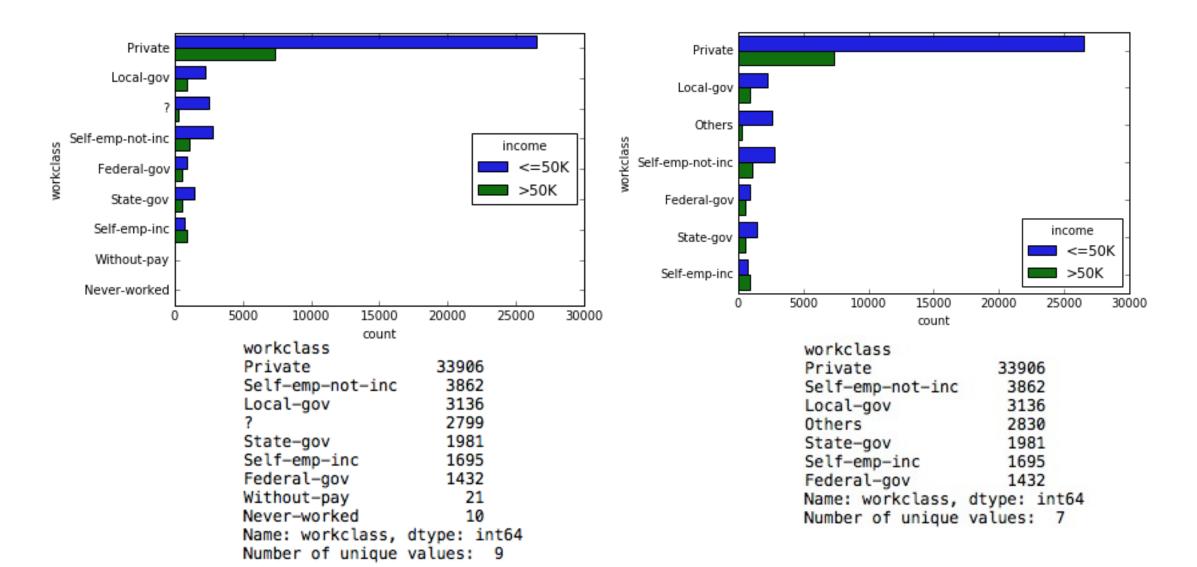
marital-status
Married-civ-spouse 22379
Never-married 16117
Divorced 6633
Separated 1530
Widowed 1518
Married-spouse-absent 628
Married-AF-spouse 37
Name: marital-status, dtype: int64

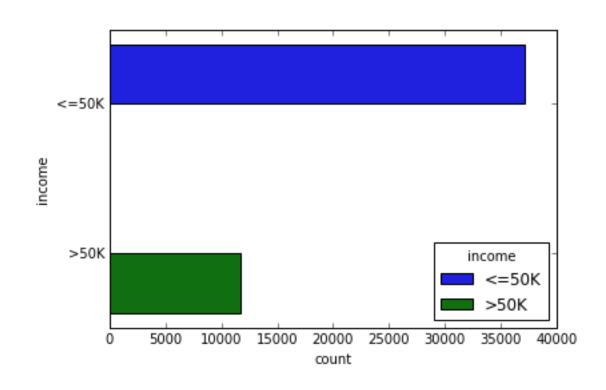
Number of unique values: 7

Married-civ-spouse 22379
Never-married 16117
Others 10346
Name: marital-status, dtype: int64

Number of unique values: 3

marital-status



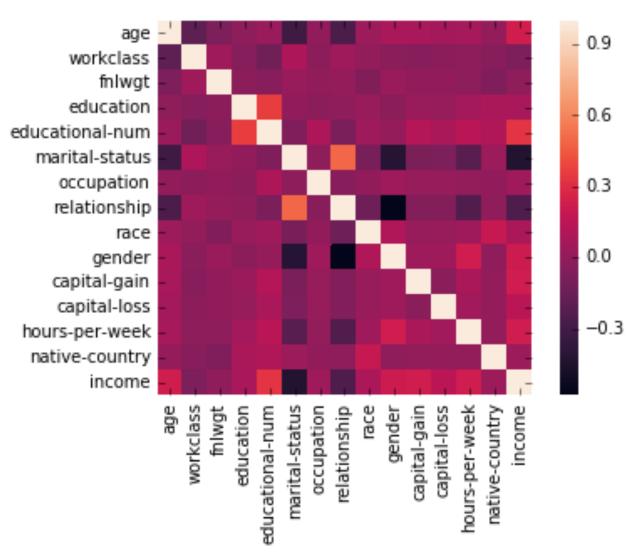


income <=50K 37155

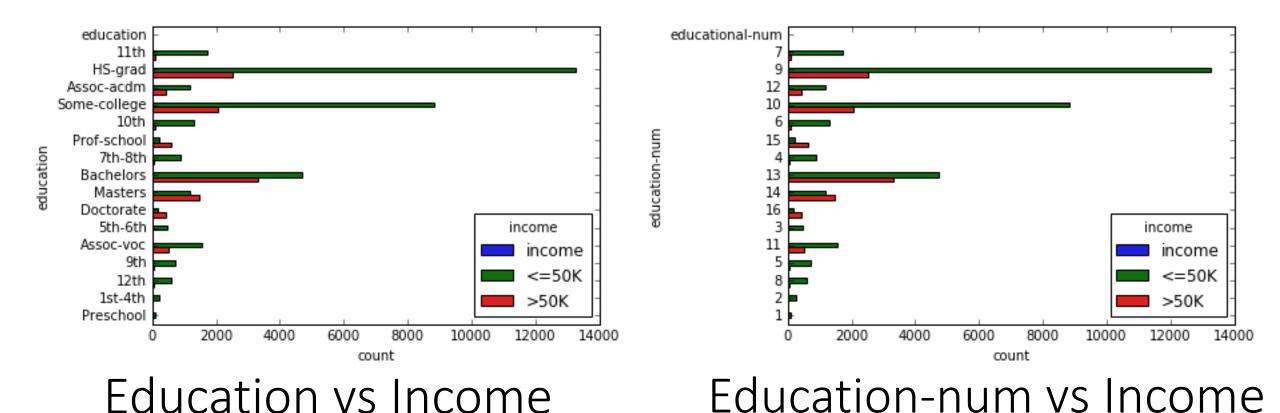
>50K 11687 Name: income, dtvp

Name: income, dtype: int64 Number of unique values: 2

Exploration - Correlation



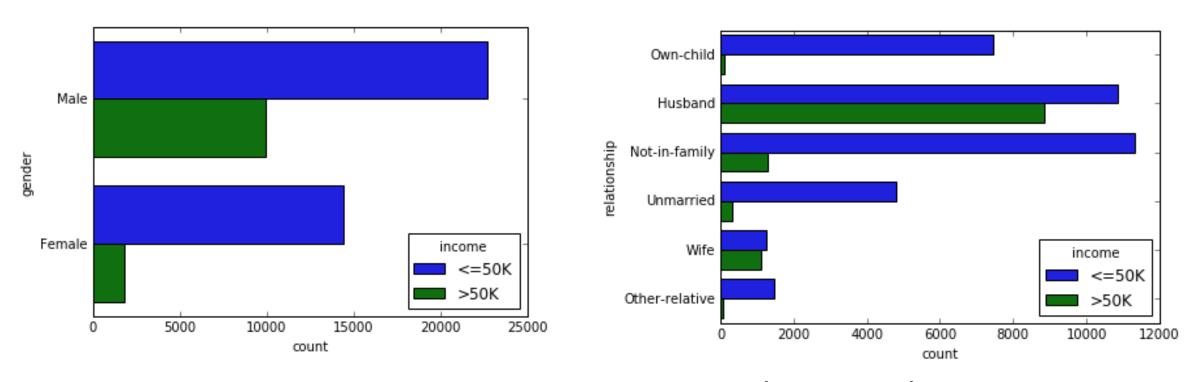
Exploration - Correlation



They are strictly corralated.

Solution: omit education

Exploration - Correlation



Gender vs Income

Relationship vs Income

Males are likely to be husbands, and Females are likely to be wives.

Exploration - Scaling

Ranges:

age: 17 - 90

workclass: 0 – 1

fnlwgt: 12285 – 1490400

education-num: 0 – 16

marital-status: 0 – 1

occupation: 0 - 13

relationship: 0 - 5

race: 0-1

gender: 0 - 1

capital-gain: 0 – 99999

capital-loss: 0 - 4356

hours-per-week: 1 – 99

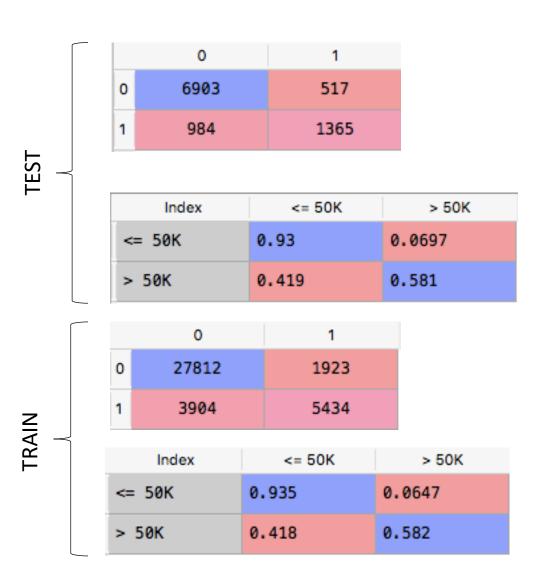
native-country: 0 - 1

Scaling is definetely needed

Modelling

- Encode using get_dummies
 get_dummies: encodes the object variables and creates dummy
 variables with appropriate column names
 label_encoder and one_hot_encoder: we need to encode each
 column and create their dummy variables one variable at a time.
- Dummy trap
- Test_size = 0.2
- Scale

Modelling - Logistic Regression



```
In [26]: print(classification_report(y_test, y_pred_logreg1))
    . . . :
             precision
                           recall f1-score
                                              support
                  0.88
                                                  7420
        0.0
                             0.93
                                       0.90
        1.0
                  0.73
                             0.58
                                       0.65
                                                  2349
avg / total
                  0.84
                             0.85
                                                  9769
                                       0.84
In [27]: print(classification_report(y_train, y_train_logreg1))
    ...:
             precision
                           recall f1-score
                                              support
        0.0
                  0.88
                             0.94
                                       0.91
                                                29735
        1.0
                  0.74
                             0.58
                                       0.65
                                                 9338
                                                39073
avg / total
                  0.84
                             0.85
                                       0.84
     acc_test_logreg2
                               0.85157129695977074
     acc_train_logreg2
                            1 0.84956363729429529
       rec_test_logreg1
                                 0.58109833971902936
       rec_train_logreg1
                                 0.58192332405225955
```

Evaluation - P-values

	coef	std err	t	P> t	[95.0% Conf	f. Int.]		coef	std err	t	P> t	[95.0% Co	nf. Int.]
const	-0.5562	0.014	-40.236	0.000	-0.583	-0.529	const	-0.5559	0.014	-40.268	0.000	-0.583	-0.529
x1	0.0025	0.000	18.177	0.000	0.002	0.003	x1	0.0025	0.000	18.179	0.000	0.002	0.003
x2	7.883e-08	1.48e-08	5.324	0.000	4.98e-08	1.08e-07	x2	7.881e-08	1.48e-08	5.323	0.000	4.98e-08	1.08e-07
x3	0.0326	0.001	44.815	0.000	0.031	0.034	x3	0.0326	0.001	44.822	0.000	0.031	0.034
x4	8.12e-06	2.12e-07	38.290	0.000	7.7e-06 8	3.54e-06	x4	8.121e-06	2.12e-07	38.295	0.000	7.71e-06	8.54e-06
x5	9.36e-05	3.88e-06	24.126	0.000	8.6e-05	0.000	x5	9.36e-05	3.88e-06	24.127	0.000	8.6e-05	0.000
x6	0.0026	0.000	19.395	0.000	0.002	0.003	x6	0.0026	0.000	19.397	0.000	0.002	0.003
x7	0.0987	0.012	8.493	0.000	0.076	0.122	x7	0.0981	0.012	8.498	0.000	0.075	0.121
x8	0.0071	0.009	0.756	0.449	-0.011	0.025	x8	0.0064	0.009	0.695	0.487	-0.012	0.025
x9	0.0172	0.007	2.381	0.017	0.003	0.031	x9	0.0165	0.007	2.332	0.020	0.003	0.030
x10	0.0769	0.011	6.804	0.000	0.055	0.099	×10	0.0761	0.011	6.809	0.000	0.054	0.098
x11	-0.0496	0.009	-5.354	0.000	-0.068	-0.031	x11	-0.0506	0.009	-5.605	0.000	-0.068	-0.033
x12	-0.0130	0.010	-1.236	0.217	-0.034	0.008	x12	-0.0136	0.010	-1.308	0.191	-0.034	0.007
x13	0.2912	0.005	64.058	0.000	0.282	0.300	x13	0.2911	0.005	64.072	0.000	0.282	0.300
x14	-0.0044	0.005	-0.884	0.377	-0.014	0.005	x14	-0.0043	0.005	-0.866	0.386	-0.014	0.005
x15	0.0113	0.006	1.974	0.048	7.99e-05	0.022	x15	0.0120	0.005	2.168	0.030	0.001	0.023
x16	-0.0026	0.006	-0.478	0.633	-0.013	0.008	x16	0.1493		27.340			0.160
x17	0.1484	0.006	25.688	0.000	0.137	0.160			0.005		0.000	0.139	
x18	-0.0763	0.010	-7.769	0.000	-0.095	-0.057	x17	-0.0752	0.010	-7.863	0.000	-0.094	-0.056
x19	0.1145	0.006	18.755	0.000	0.103	0.126	x18	0.1153	0.006	19.695	0.000	0.104	0.127
x20	0.0571	0.006	10.012	0.000	0.046	0.068	x19	0.0580	0.005	10.718	0.000	0.047	0.069
x21	-0.0247	0.008	-3.151	0.002	-0.040	-0.009	x20	-0.0237	0.008	-3.133	0.002	-0.039	-0.009
x22	0.0219	0.005	4.793	0.000	0.013	0.031	x21	0.0218	0.005	4.775	0.000	0.013	0.031
x23	0.0318	0.004	8.032	0.000	0.024	0.040	x22	0.0316	0.004	8.047	0.000	0.024	0.039
x24	0.0107	0.005	2.030	0.042	0.000	0.021	x23	0.0106	0.005	2.017	0.044	0.000	0.021

for x16 we have 0.633 so we'll remove 16

for x8 we have 0.487 so we'll remove 8

Evaluation - P-values

	coef	std err	t	P> t	[95.0% Co	onf. Int.]		coef	std err	t	P> t	[95.0% Co	onf. Int.]
const	-0.5529	0.013	-42.151	0.000	-0.579	-0.527	const	-0.5578	0.012	-46.650	0.000	-0.581	-0.534
x1	0.0025	0.000	18.166	0.000	0.002	0.003	x1	0.0026	0.000	20.889	0.000	0.002	0.003
x2	7.888e-08	1.48e-08	5.328	0.000	4.99e-08	1.08e-07	x2	7.902e-08	1.48e-08	5.338	0.000	5e-08	1.08e-07
x3	0.0326	0.001	44.823	0.000	0.031	0.034	x3	0.0326	0.001	44.821	0.000	0.031	0.034
x4	8.118e-06	2.12e-07	38.289	0.000	7.7e-06		x4	8.117e-06	2.12e-07	38.284	0.000	7.7e-06	8.53e-06
x5	9.359e-05	3.88e-06	24.124	0.000	8.6e-05	0.000	x5	9.358e-05	3.88e-06	24.122	0.000	8.6e-05	0.000
x6	0.0026	0.000	19.534	0.000	0.002	0.003	x6	0.0026	0.000	19.797	0.000	0.002	0.003
x7	0.0944	0.010	9.195	0.000	0.074	0.115	x7	0.0945	0.010	9.207	0.000	0.074	0.115
x8	0.0130	0.005	2.608	0.009	0.003	0.023	x8	0.0131	0.005	2.632	0.008	0.003	0.023
x9	0.0725	0.010	7.351	0.000	0.053	0.092	x9	0.0724	0.010	7.348	0.000	0.053	0.092
×10	-0.0542	0.007	-7.293	0.000	-0.069	-0.040	x10	-0.0541	0.007	-7.283	0.000	-0.069	-0.040
x11	-0.0172	0.009	-1.920	0.055	-0.035	0.000	x11	-0.0171	0.009	-1.904	0.057	-0.035	0.001
x12	0.2911	0.005	64.069	0.000	0.282	0.300	x12	0.2935	0.004	79.699	0.000	0.286	0.301
x13	-0.0045	0.005	-0.901	0.368	-0.014	0.005	x13	0.0125	0.005	2.284	0.022	0.002	0.023
x14	0.0125	0.005	2.298	0.022	0.002	0.023	x14	0.1497	0.005	27.598	0.000	0.139	0.160
x15	0.1498	0.005	27.603	0.000	0.139	0.160	x15	-0.0752	0.010	-7.875	0.000	-0.094	-0.056
x16	-0.0749	0.010	-7.838	0.000	-0.094	-0.056	x16	0.1160	0.006	20.234	0.000	0.105	0.127
x17	0.1161	0.006	20.250	0.000	0.105	0.127	x17	0.0582	0.005	10.792	0.000	0.048	0.069
x18	0.0583	0.005	10.813	0.000	0.048	0.069		-0.0233	0.008	-3.086	0.002	-0.038	-0.008
x19	-0.0233	0.008	-3.088	0.002	-0.038	-0.009	x18						
x20	0.0217	0.005	4.759	0.000	0.013	0.031	x19	0.0217	0.005	4.772	0.000	0.013	0.031
x21	0.0316	0.004	8.071	0.000	0.024	0.039	x20	0.0311	0.004	8.030	0.000	0.023	0.039
x22	0.0107	0.005	2.028	0.043	0.000	0.021	x21	0.0107	0.005	2.029	0.042	0.000	0.021

for x13 we have 0.368 so we'll remove 14

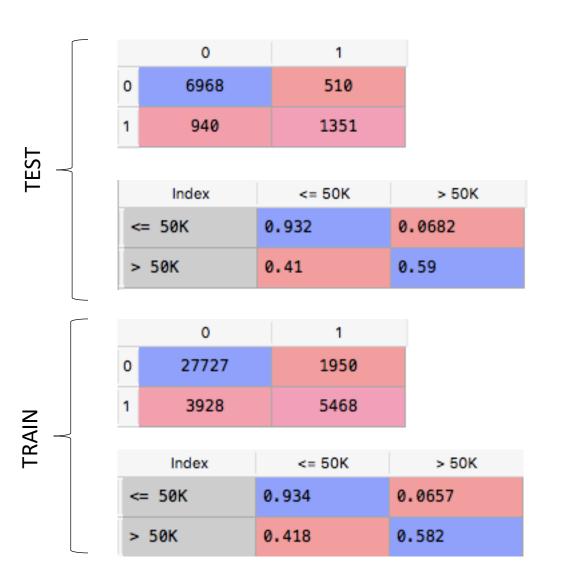
for x11 we have 0.057 so we'll remove 12

Evaluation - P-values

	coef	std err	t	P> t	[95.0% Co	nf. Int.]	
const	-0.5615	0.012	-47.602	0.000	-0.585	-0.538	
x1	0.0026	0.000	20.953	0.000	0.002	0.003	
x2	7.938e-08	1.48e-08	5.362	0.000	5.04e-08	1.08e-07	
x3	0.0326	0.001	44.788	0.000	0.031	0.034	
x4	8.121e-06	2.12e-07	38.306	0.000	7.71e-06	8.54e-06	
x5	9.366e-05	3.88e-06	24.143	0.000	8.61e-05	0.000	
x6	0.0026	0.000	19.773	0.000	0.002	0.003	
x7	0.0991	0.010	9.939	0.000	0.080	0.119	
x8	0.0174	0.004	3.933	0.000	0.009	0.026	
x9	0.0770	0.010	8.049	0.000	0.058	0.096	
x10	-0.0497	0.007	-7.039	0.000	-0.064	-0.036	
x11	0.2935	0.004	79.692	0.000	0.286	0.301	
x12	0.0114	0.005	2.102	0.036	0.001	0.022	
x13	0.1490	0.005	27.532	0.000	0.138	0.160	
x14	-0.0757	0.010	-7.929	0.000	-0.094	-0.057	
x15	0.1151	0.006	20.145	0.000	0.104	0.126	
x16	0.0577	0.005	10.717	0.000	0.047	0.068	
x17	-0.0237	0.008	-3.144	0.002	-0.038	-0.009	
x18	0.0219	0.005	4.797	0.000	0.013	0.031	
x19	0.0308	0.004	7.969	0.000	0.023	0.038	
x20	0.0107	0.005	2.033	0.042	0.000	0.021	

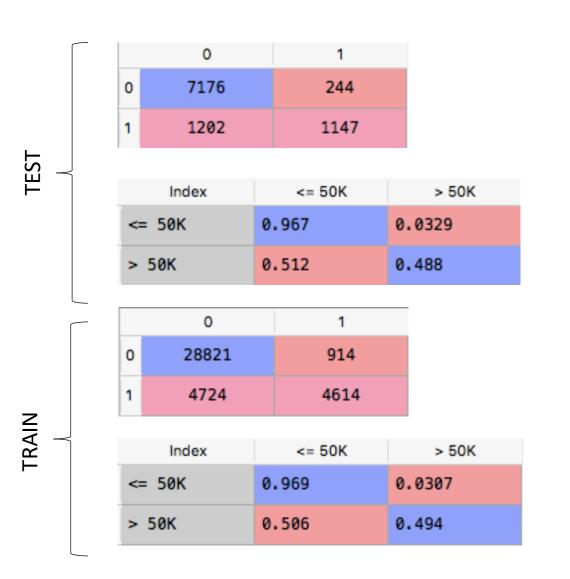
all below 0.05, stop the elimination process

Modelling - Logistic Regression



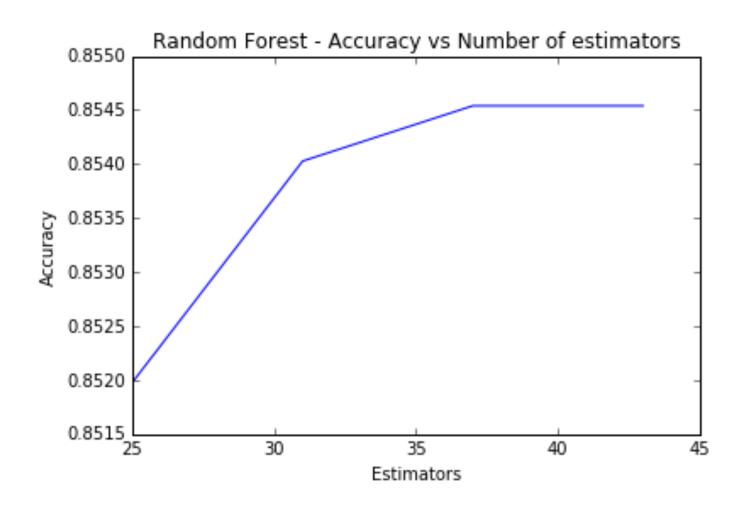
```
In [82]: print(classification_report(y_test2, y_pred_logreg2))
    ...:
                          recall f1-score
             precision
                                              support
        0.0
                  0.88
                            0.93
                                       0.91
                                                 7478
        1.0
                  0.73
                            0.59
                                      0.65
                                                 2291
avg / total
                            0.85
                                       0.85
                                                 9769
                  0.84
In [84]: print(classification_report(y_train2, y_train_logreg2))
    ...:
             precision
                          recall f1-score
                                              support
        0.0
                  0.88
                            0.93
                                       0.90
                                                29677
        1.0
                  0.74
                            0.58
                                      0.65
                                                 9396
avg / total
                  0.84
                            0.85
                                       0.84
                                                39073
          acc_test_logreg2
                                    0.85157129695977074
          acc_train_logreg2
                                    0.84956363729429529
          rec_test_logreg2
                                    0.58969882147533825
                                    0.58194976585781188
          rec_train_logreg2
```

Modelling - Random Forest (entropy)

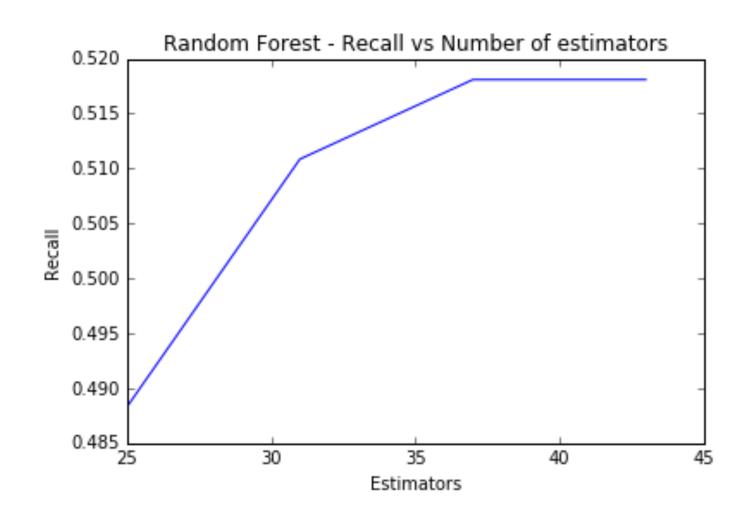


```
In [410]: print(classification_report(y_test, y_pred_ranfor_ent))
             precision
                          recall f1-score
                                              support
                            0.97
                                       0.91
                                                 7420
        0.0
                  0.86
        1.0
                  0.82
                            0.49
                                       0.61
                                                 2349
                            0.85
                                                 9769
avg / total
                  0.85
                                       0.84
In [411]: print(classification_report(y_train, y_train_ranfor_ent))
     ...:
                          recall f1-score
             precision
                                              support
        0.0
                  0.86
                            0.97
                                       0.91
                                                29735
        1.0
                  0.83
                            0.49
                                       0.62
                                                 9338
                            0.86
                                                39073
avg / total
                  0.85
                                       0.84
                                        0.85198075545091612
        acc_test_ranfor_ent
        acc_train_ranfor_ent
                                        0.85570598623090111
        rec_test_ranfor_ent
                                        0.48829289059174119
        rec_train_ranfor_ent
                                        0.49411008781323623
```

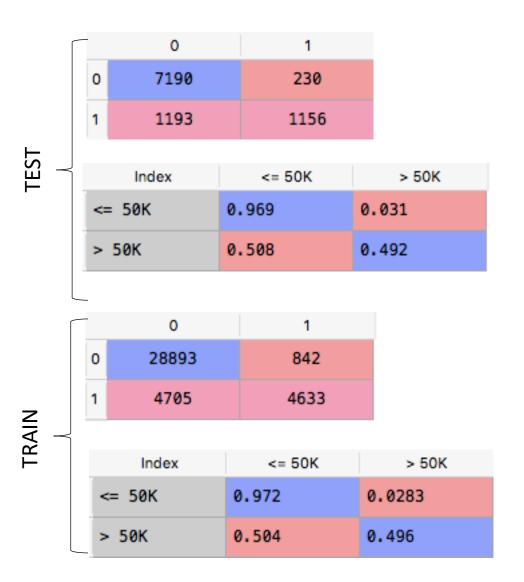
Random Forest Entropy Accuracy



Random Forest Entropy Recall

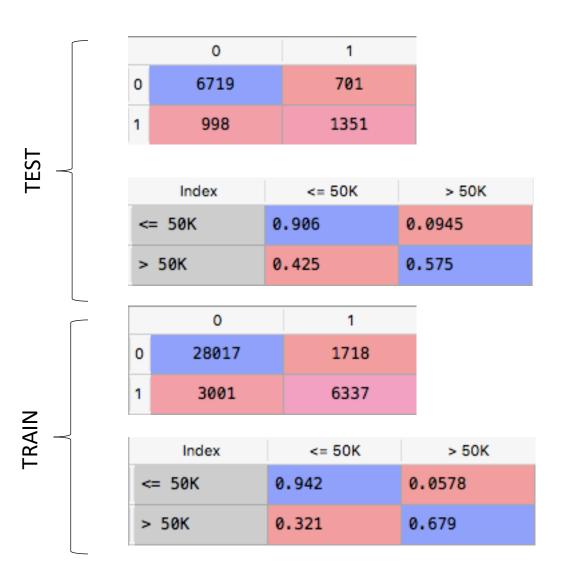


Modelling - Random Forest (gini)



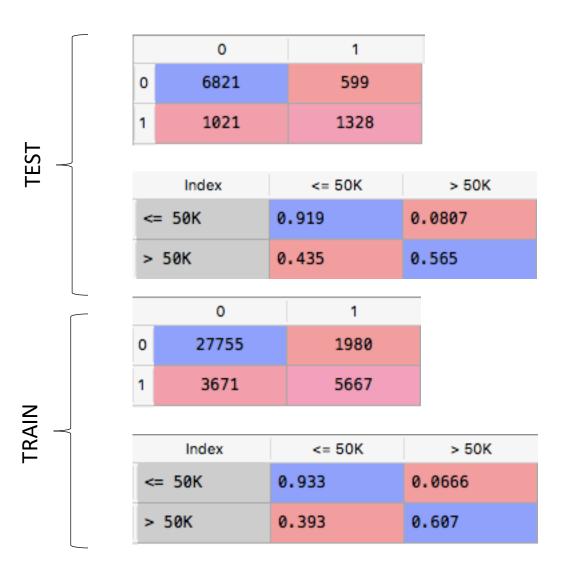
```
In [434]: print(classification_report(y_test, y_pred_ranfor_gini))
     ...:
                          recall f1-score
             precision
                                              support
        0.0
                  0.86
                             0.97
                                       0.91
                                                 7420
        1.0
                  0.83
                            0.49
                                       0.62
                                                 2349
avg / total
                  0.85
                             0.85
                                       0.84
                                                 9769
In [435]: print(classification_report(y_train, y_train_ranfor_gini))
     ...:
                           recall f1-score
             precision
                                              support
        0.0
                  0.86
                             0.97
                                                29735
                                       0.91
        1.0
                  0.85
                             0.50
                                       0.63
                                                 9338
avg / total
                  0.86
                             0.86
                                       0.84
                                                39073
    acc_test_ranfor_gini
                                     0.85433514177500258
    acc_train_ranfor_gini
                                    0.85803496020269754
    rec_test_ranfor_gini
                                    0.49212430821626224
    rec_train_ranfor_gini
                                    0.4961447847504819
```

Modelling - Knn (5nb)



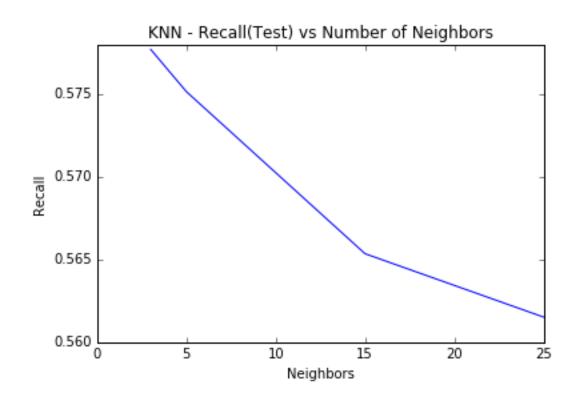
```
In [112]: print(classification_report(y_test, y_pred_knn_5))
     ...:
             precision
                          recall f1-score
                                              support
        0.0
                             0.91
                                       0.89
                  0.87
                                                 7420
        1.0
                  0.66
                             0.58
                                       0.61
                                                 2349
                                       0.82
                                                 9769
avg / total
                  0.82
                             0.83
In [113]: print(classification_report(y_train, y_train_knn_5))
             precision
                          recall f1-score
                                              support
        0.0
                                       0.92
                                                29735
                  0.90
                             0.94
        1.0
                  0.79
                            0.68
                                       0.73
                                                 9338
avg / total
                  0.88
                             0.88
                                       0.88
                                                39073
                                    0.82608250588596577
      acc_test_knn_5
      acc_train_knn_5
                                    0.87922606403398762
                                    0.5751383567475522
      rec_test_knn_5
      rec_train_knn_5
                                    0.6786249732276719
```

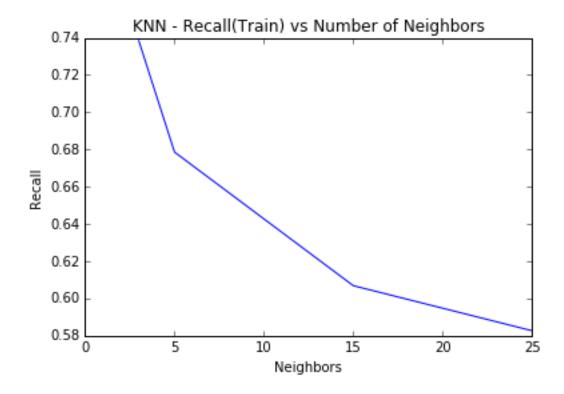
Modelling - Knn (15nb)



```
In [118]: print(classification_report(y_test, y_pred_knn_15))
     ...:
                          recall f1-score
             precision
                                              support
                  0.87
                            0.92
                                                 7420
        0.0
                                       0.89
        1.0
                  0.69
                            0.57
                                       0.62
                                                 2349
                  0.83
                            0.83
                                       0.83
                                                 9769
avg / total
In [119]: print(classification_report(y_train, y_train_knn_15))
     ...:
             precision
                          recall f1-score
                                              support
        0.0
                  0.88
                            0.93
                                       0.91
                                                29735
        1.0
                  0.74
                            0.61
                                       0.67
                                                 9338
avg / total
                  0.85
                            0.86
                                       0.85
                                                39073
       acc_test_knn_15
                                     0.83416931108608861
                                     0.85537327566350163
       acc_train_knn_15
        rec_test_knn_15
                                      0.56534695615155384
        rec_train_knn_15
                                      0.6068751338616406
```

Knn Recall





Evaluation - Compare Models

- For all of the classifiers, the main problem was not being able to detect positive values. We see this by looking at the recall for the test set. Mostly, the negative values are predicted as negative but the positive values are predicted as negative as well. The main reason could be the skewness of the output variable.
- For the logistic regression, we see that changing the split doesn't affect the result, and also the precision and recall rates for test and train sets are similar as well as the confusion matrices. So, I believe that the classifier generalizes well.

Evaluation - Result

- Do you think the model generalizes well or memorizes? For the logistic regression models, proportions of the confusion matrices are similar, precisions for the test & train sets are almost the same; so the model generalizes well.
- Does the model produce different confusion matrices with each split?
 Yes but the proportions are similar. (Logistic Regression)