UCLA Extension Data Science Intensive

Instructor: William Yu

Project 6 11/6/2018

A. Predicting and Reduce Poverty

- Since its founding in 1944, the World Bank has been gathering data (WDI: World Development Indicators) to help it alleviate poverty all cross the world. In this project, you will need to predict the main goal indicator: **poverty gap at \$3.2 a day** (2011 PPP, %; code: SI.POV.LMIC.GP) for those countries that have available data in 2012.

- The train data is form 1981 to 2012. The test data is from 2013 to 2016. There are complex relationship between poverty and other indicators in WDI. Your first task is to develop a forecast model which produce smallest test errors. In addition to prediction, your second task is find five major indicators which could predict poverty of a country. By doing so, the World Bank and United Nations will be able to follow those predictors to reduce poverty.

- Write a R markdown with both explanation and script for your problem-solving project. The data is W03b_wdi.xlsx.