## Homework\_3

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## R Markdown

```
load('/Users/marjanrezvani/Documents/Fall2020/eco_stat/data/acs2017_ny/acs2017_ny_data.RData')
dat_NYC <- subset(acs2017_ny, (acs2017_ny$in_NYC == 1)&(acs2017_ny$AGE > 20) & (acs2017_ny$AGE < 66))
attach(dat_NYC)
#View(head(dat NYC))
borough_f <- factor((in_Bronx + 2*in_Manhattan + 3*in_StatenI + 4*in_Brooklyn + 5*in_Queens), levels=c(
norm_varb <- function(X_in) {</pre>
  (X_in - min(X_in, na.rm = TRUE))/( max(X_in, na.rm = TRUE) - min(X_in, na.rm = TRUE) )
is.na(OWNCOST) <- which(OWNCOST == 9999999)
housing_cost <- OWNCOST + RENT
norm_inc_tot <- norm_varb(INCTOT)</pre>
norm_housing_cost <- norm_varb(housing_cost)</pre>
norm_poverty <- norm_varb(POVERTY)</pre>
data_use_prelim <- data.frame(norm_inc_tot,</pre>
                               norm_housing_cost,
                                norm_poverty)
good_obs_data_use <- complete.cases(data_use_prelim,borough_f)</pre>
dat_use <- subset(data_use_prelim,good_obs_data_use)</pre>
y_use <- subset(borough_f,good_obs_data_use)</pre>
set.seed(12345)
NN_obs <- sum(good_obs_data_use == 1)</pre>
select1 <- (runif(NN_obs) < 0.8)</pre>
train_data <- subset(dat_use,select1)</pre>
test_data <- subset(dat_use,(!select1))
cl_data <- y_use[select1]</pre>
true_data <- y_use[!select1]</pre>
summary(cl_data)
##
           Bronx
                      Manhattan Staten Island
                                                     Brooklyn
                                                                      Queens
            4880
                                                        12416
                                                                       10923
prop.table(summary(cl_data))
##
                      Manhattan Staten Island
                                                     Brooklyn
                                                                      Queens
           Bronx
      0.13800905
                     0.14847285
                                    0.05347851
                                                   0.35113122
                                                                  0.30890837
summary(train_data)
    norm_inc_tot
                       norm_housing_cost norm_poverty
```

```
## Min. :0.00000 Min. :0.00000 Min. :0.0000
## 1st Qu.:0.01191 1st Qu.:0.02493 1st Qu.:0.3234
## Median :0.02693
                    Median :0.96917 Median :0.7166
## Mean :0.04265
                    Mean :0.58972 Mean :0.6450
## 3rd Qu.:0.05219 3rd Qu.:0.97784 3rd Qu.:1.0000
## Max.
        :1.00000 Max. :1.00000 Max. :1.0000
require(class)
## Loading required package: class
for (indx in seq(1, 9, by= 2)) {
 pred_borough <- knn(train_data, test_data, cl_data, k = indx, l = 0, prob = FALSE, use all = TRUE)
 num_correct_labels <- sum(pred_borough == true_data)</pre>
 correct_rate <- num_correct_labels/length(true_data)</pre>
 print(c(indx,correct_rate))
## [1] 1.0000000 0.3876637
## [1] 3.0000000 0.3651505
## [1] 5.0000000 0.3737652
## [1] 7.0000000 0.3885826
## [1] 9.000000 0.387434
```

## adding educ\_college

but as you'll see the result, it doesn't help us to classify the boroughs better

```
norm_poverty <- norm_varb(POVERTY)</pre>
norm_educ_college <- norm_varb(educ_college)</pre>
data_use_prelim <- data.frame(norm_inc_tot,</pre>
                                 norm_housing_cost,
                                 norm_poverty,
                                 norm_educ_college)
good_obs_data_use <- complete.cases(data_use_prelim,borough_f)</pre>
dat_use <- subset(data_use_prelim,good_obs_data_use)</pre>
y_use <- subset(borough_f,good_obs_data_use)</pre>
set.seed(12345)
NN_obs <- sum(good_obs_data_use == 1)</pre>
select1 <- (runif(NN obs) < 0.8)
train_data <- subset(dat_use,select1)</pre>
test_data <- subset(dat_use,(!select1))</pre>
cl_data <- y_use[select1]</pre>
true_data <- y_use[!select1]</pre>
summary(cl_data)
##
            Bronx
                       Manhattan Staten Island
                                                        Brooklyn
                                                                          Queens
##
             4880
                             5250
                                            1891
                                                           12416
                                                                           10923
```

```
prop.table(summary(cl_data))
          Bronx
                    Manhattan Staten Island
                                                Brooklyn
                                                               Queens
##
     0.13800905
                   0.14847285
                                0.05347851
                                              0.35113122
                                                           0.30890837
summary(train_data)
                     norm_housing_cost norm_poverty
                                                      norm_educ_college
    norm_inc_tot
## Min. :0.00000
                    Min. :0.00000 Min. :0.0000
                                                      Min. :0.0000
## 1st Qu.:0.01191 1st Qu.:0.02493 1st Qu.:0.3234
                                                      1st Qu.:0.0000
                                                      Median :0.0000
## Median :0.02693 Median :0.96917 Median :0.7166
  Mean :0.04265
                    Mean :0.58972
                                     Mean :0.6450
                                                      Mean :0.2527
## 3rd Qu.:0.05219
                    3rd Qu.:0.97784 3rd Qu.:1.0000
                                                      3rd Qu.:1.0000
## Max. :1.00000 Max. :1.00000 Max. :1.0000 Max. :1.0000
require(class)
for (indx in seq(1, 9, by= 2)) {
 pred_borough <- knn(train_data, test_data, cl_data, k = indx, l = 0, prob = FALSE, use.all = TRUE)</pre>
 num_correct_labels <- sum(pred_borough == true_data)</pre>
 correct_rate <- num_correct_labels/length(true_data)</pre>
 print(c(indx,correct_rate))
## [1] 1.0000000 0.3759476
## [1] 3.0000000 0.3591776
## [1] 5.0000000 0.3708936
## [1] 7.00000 0.37813
## [1] 9.0000000 0.3812313
```

Now I going to try Cost\_total, COSTFUEL combined with COSTWATER, COSTGAS and COSTELEC.

## firstly fix up the data:

```
cl_data <- y_use[select1]</pre>
true_data <- y_use[!select1]</pre>
summary(cl_data)
##
           Bronx
                    Manhattan Staten Island
                                                 Brooklyn
                                                                 Queens
##
           4880
                         5250
                                       1891
                                                    12416
                                                                  10923
prop.table(summary(cl_data))
           Bronx
                    Manhattan Staten Island
                                                 Brooklyn
                                                                 Queens
##
     0.13800905
                   0.14847285
                                 0.05347851
                                               0.35113122
                                                              0.30890837
summary(train_data)
                     norm_housing_cost norm_poverty
    norm_inc_tot
                                                        norm_educ_college
##
  Min. :0.00000
                    Min. :0.00000 Min. :0.0000 Min. :0.0000
   1st Qu.:0.01191
                     1st Qu.:0.02493
                                       1st Qu.:0.3234
                                                        1st Qu.:0.0000
                     Median :0.96917 Median :0.7166
                                                        Median :0.0000
  Median :0.02693
##
## Mean :0.04265
                     Mean :0.58972 Mean :0.6450
                                                        Mean :0.2527
##
   3rd Qu.:0.05219
                     3rd Qu.:0.97784 3rd Qu.:1.0000
                                                        3rd Qu.:1.0000
##
   Max. :1.00000
                     Max. :1.00000 Max. :1.0000
                                                        Max. :1.0000
## norm_cost_total
## Min. :0.0000
## 1st Qu.:0.4079
   Median :0.5508
## Mean :0.5860
   3rd Qu.:0.7768
## Max. :1.0000
require(class)
for (indx in seq(1, 9, by= 2)) {
  pred_borough <- knn(train_data, test_data, cl_data, k = indx, l = 0, prob = FALSE, use.all = TRUE)</pre>
  num_correct_labels <- sum(pred_borough == true_data)</pre>
 correct_rate <- num_correct_labels/length(true_data)</pre>
  print(c(indx,correct_rate))
## [1] 1.0000000 0.4638181
## [1] 3.0000000 0.4362509
## [1] 5.0000000 0.4403859
## [1] 7.0000000 0.4430278
## [1] 9.000000 0.448771
as you can see, there is more accuracy with using cost total which is combined of costs for
water, fuel, electricity, and gas.
```

```
norm_poverty <- norm_varb(POVERTY)
norm_educ_college <- norm_varb(educ_college)
#norm_advdeg <- norm_varb(educ_advdeg)

cost_total <- COSTELEC + COSTFUEL + COSTGAS + COSTWATR
norm_cost_total <- norm_varb(cost_total)
norm_FOODSTMP <- norm_varb(FOODSTMP)</pre>
```

```
data_use_prelim <- data.frame(norm_inc_tot,</pre>
                             norm_housing_cost,
                              norm_poverty,
                              norm_educ_college,
                              norm_cost_total,
                             norm_FOODSTMP)
good_obs_data_use <- complete.cases(data_use_prelim,borough_f)</pre>
dat_use <- subset(data_use_prelim,good_obs_data_use)</pre>
y_use <- subset(borough_f,good_obs_data_use)</pre>
set.seed(12345)
NN_obs <- sum(good_obs_data_use == 1)</pre>
select1 <- (runif(NN_obs) < 0.8)</pre>
train_data <- subset(dat_use,select1)</pre>
test_data <- subset(dat_use,(!select1))</pre>
cl_data <- y_use[select1]</pre>
true_data <- y_use[!select1]</pre>
summary(cl_data)
                                                  Brooklyn
           Bronx
                     Manhattan Staten Island
                                                                  Queens
##
            4880
                          5250
                                       1891
                                                     12416
                                                                   10923
prop.table(summary(cl_data))
                    Manhattan Staten Island
          Bronx
                                                  Brooklyn
                                                                  Queens
##
      0.13800905
                    0.14847285
                                 0.05347851
                                                0.35113122
                                                              0.30890837
summary(train_data)
    norm_inc_tot
                      norm_housing_cost norm_poverty
                                                         norm_educ_college
## Min. :0.00000
                    Min. :0.00000 Min. :0.0000
                                                        Min. :0.0000
## 1st Qu.:0.01191
                     1st Qu.:0.02493
                                       1st Qu.:0.3234
                                                        1st Qu.:0.0000
## Median :0.02693 Median :0.96917 Median :0.7166 Median :0.0000
## Mean :0.04265 Mean :0.58972 Mean :0.6450 Mean :0.2527
## 3rd Qu.:0.05219
                     3rd Qu.:0.97784 3rd Qu.:1.0000
                                                        3rd Qu.:1.0000
## Max. :1.00000
                     Max. :1.00000 Max. :1.0000
                                                        Max. :1.0000
## norm_cost_total norm_FOODSTMP
## Min. :0.0000
                    Min. :0.0000
## 1st Qu.:0.4079
                    1st Qu.:0.0000
## Median :0.5508
                    Median :0.0000
## Mean :0.5860
                    Mean :0.1757
## 3rd Qu.:0.7768
                    3rd Qu.:0.0000
## Max.
         :1.0000 Max. :1.0000
require(class)
for (indx in seq(1, 9, by= 2)) {
  pred_borough <- knn(train_data, test_data, cl_data, k = indx, l = 0, prob = FALSE, use.all = TRUE)</pre>
  num_correct_labels <- sum(pred_borough == true_data)</pre>
  correct_rate <- num_correct_labels/length(true_data)</pre>
  print(c(indx,correct_rate))
## [1] 1.0000000 0.4758787
## [1] 3.0000000 0.4431427
```

```
## [1] 5.0000000 0.4461291
## [1] 7.0000000 0.4473926
## [1] 9.0000000 0.4507236
```

I tried different variables to figure out which one would help to get more precise results to have a higher accuracy.

some of them like educ\_college which tell us about having college degree or not, would not increase the accuracy. or another attribute like TRANWORK does not help us to get a better prediction either.

but as it obvious in the result, cost\_total which includes cost of gas, electricity, water and fuel, would be considered as an effective variable to predict category of data.

in addition, interesting thing is that prediction using variable Foodstmp, the borough one which is Bronx, is more precise.