
Subject: Is it possible to assign a dollar amount to the wealth index factor score?

Posted by [emilype](#) on Mon, 18 Mar 2013 21:16:52 GMT

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Many people have trouble understanding when we say, "the bottom wealth quintile" but can easily understand, "less than 2\$ a day".

Is it possible to assign a dollar amount to the wealth index factor score? Or at least, is it possible to assign a range of possible incomes, daily expenditures, or net worth based on the wealth index factor score? Does anyone have any experience trying to map the quintiles to \$ amounts, perhaps using other country data?

I'd be grateful for any tips!

Subject: Re: Is it possible to assign a dollar amount to the wealth index factor score?

Posted by [Liz-DHS](#) on Thu, 11 Apr 2013 12:55:33 GMT

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Here's an answer from one of our subject experts, Dr. Shea Rutstein:

The bottom wealth quintile represents the 20% of the nation's household population living in households with the least amount of wealth. The level of wealth of this bottom quintile varies according to the country and to the date of the survey. Thus the wealth quintiles present relative rather than absolute economic status. One way of converting the wealth index score into an absolute measure is to take the percent of households below a standard measure (say, \$2 per day) from another source, determining the cutpoint for the same percent of households ordered by the wealth score and then recoding into a new variable as to whether below the cutpoint or not. Then households below the cutpoint should be comparable across surveys.

There are other indexes of economic status that are comparable across counties and surveys: Unsatisfied Basic Needs from the Economic Commission for Latin America and the Multi-dimensional Poverty Index from researchers at Cambridge University, and some others, but they do not assign a monetary value. We are working on a procedure to make the relative DHS Wealth Indexes into indexes that can be compared across surveys and countries but it also does not give a monetary value to quintiles.
