Subject: Re: Wealth Index - Same Country, Different Years
Posted by Bridgette-DHS on Tue, 20 Jul 2021 12:45:58 GMT
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Following is another response from DHS Research & Data Analysis Director, Tom Pullum:

If you are familiar with DHS data, then you know that the sample weights (hv005, etc.) are scaled up by a factor of 1,000,000 and given without anything to the right of the decimal. The factor is a mechanism to get many significant digits without using a decimal point. What you see with the continuous wealth index is the same, except that the factor is 10,000 rather than 1,000,000.

DHS multiplies the anthropometric Z scores (hc70-hc72) by a factor of 100. Same for children's heights and weights (hc2 and hc3). Percentages include a factor of 100. Death rates include a factor of 1,000. The maternal mortality ratio has a factor of 100,000. The same mechanism is at work in all cases. If you want to re-scale the Uganda 2001 values to compare with the later values, you multiply them by 10,000. OR you divide the values in the later surveys by 10,000.

The continuous wealth index is the first principal component of a principal component analysis (PCA), multiplied by 10,000. Four cut points are identified to break it into 5 equally sized quintiles (in terms of weighted de facto household members in the PR file). You could use the continuous index similarly to construct deciles, terciles, quartiles, etc. However, I would advise against over-interpreting the values of the continuous scale.