Subject: Re: Binary variable of wealth index
Posted by Trevor-DHS on Mon, 16 Aug 2021 02:26:11 GMT
View Forum Message <> Reply to Message

Most users who want a binary variable for wealth create a variable that is the 60% poorest and the 40% richest, so your suggestion in a) is what we would usually do.

There is also a PCA score in the dataset (hv271 in the HR, PR files and v191 in IR, KR, BR files) and you could calculate your groups based on this and use this to split the dataset in half. Remember, though, that the wealth quintiles are quintiles of population (household members) based on weighted data, so if you decide to use this approach you will have to ensure that you are weighting the data, and basing the two groups on the population, not the number of households.

For simplicity I would use your first option.