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Subject: Understanding wealth index

Posted by [Kanika](#) on Wed, 06 Sep 2023 10:37:06 GMT

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Hello,

I am new to the DHS datasets and hence, this very basic query.

I am working on the DHS dataset for India, and have a few doubts regarding the wealth index. I see that the DHS data already includes the wealth index, but I am confused about the following points:

1. I have come across a few papers which use the DHS dataset, and construct their own wealth index instead of using the one already given in the DHS dataset. Often, there is not much explanation on why and how they construct a new index. I can guess that this may be because the newly constructed index is more suited to their specific analysis. I was wondering if there are any papers that guide on when and when not to construct a new wealth index or use the one given in the DHS dataset.
2. The DHS dataset consists of many types of wealth indices. If at all one plans on using the wealth index given in the DHS index- how should one decide on going about which wealth index among the plethora given in the dataset to use? (wealth index combined, wealth index factor score combined (5 decimals), wealth index for rural/urban, wealth index factor score for urban/rural combined (5 decimals), wealth index within state, wealth index factor score within state (5 decimals), wealth-index urban within state, wealth index factors score (5 decimals)-urban, wealth-index rural within state, wealth index factors score (5 decimals)-rural)

Is there a guiding paper on the same?

I would be grateful for any guidance on the above.

Thank you,  
Kanika

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