## Subject: Re: How to arrive at final wealth index score using PCA Posted by Janet-DHS on Wed, 28 Feb 2024 19:01:53 GMT

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Following is a response from DHS staff member, Tom Pullum:

Yes, you can match the SPSS procedure with Stata. Have you looked at the DHS website (https://www.dhsprogram.com/topics/wealth-index/index.cfm)? MANY variables go into that PCA. Various people have tried to simplify the construction, and I support that, but if you simplify it you will not get a match.

The conversion to quintiles is a little more complex. The following lines, applied the HR file, show how to do it ("mem" is the number of household members). You have to do it with the HR file because everyone in the same household has the same value of the continuous index and is in the same quintile.

set more off

use "...NGHR7AFL.DTA", clear

keep hv001 hv002 hv005 hv012 hv013 hv270 hv271

gen mem = hv012

replace mem = hv013 if mem == 0

gen pwt=mem\*hv005

gen wt=pwt/1000000

xtile hv270\_test1=hv271 [pweight=pwt], nquantiles(5)

tab hv270 hv270\_test1 [iweight=wt]