
Subject: Constructing Wealth Incidence Curve

Posted by [tednoel](#) on Mon, 03 Jun 2024 19:21:37 GMT

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Hi all, just creating a post here to see if anyone might be able to assist. I am trying to create wealth index curves for Senegal using DHS data spanning from the years of 2015 to 2021 but there is something that I am either conceptually misunderstanding or not doing right with the code. I've pasted my code below for people to examine:

```
svyset [pweight=hv005], strata(hv023) psu(hv001)
gen wealth_quintile_2015 = hv270 if hv007 == 2015
gen wealth_quintile_2017 = hv270 if hv007 == 2017
```

* Calculate mean wealth for each quintile in 2015

```
svy: mean hv270, over(wealth_quintile_2015)
```

* Calculate mean wealth for each quintile in 2017

```
svy: mean hv270, over(wealth_quintile_2017)
```

* Merge the datasets

```
merge 1:1 wealth_quintile_2015 using wealth_quintile_2017, keep(match)
```

* Calculate growth rates between the two years

```
gen growth_rate = (wealth_quintile_2017 - wealth_quintile_2015) / wealth_quintile_2015
```

* Plot the Growth Incidence Curve

```
twoway (line growth_rate, sort title("Wealth Incidence Curve") xlabel(1(1)5) ylabel(, angle(0)))
```

As you can see I tried to incorporate population weights so that these wealth incidence curves could be representative at the household level... But nothing is working. When I am actually able to produce an incidence curve the curve is blank. I'm starting to think perhaps it's a problem with the variable itself? I didn't think there would be much issue using a wealth index because it would still capture levels of wealth which would be aggregated into the wealth incidence curve. Any advice here would be really appreciated. If wealth index is not suitable for creating a wealth incidence curve, is there a way to collapse the wealth index into a measurement of overall wealth? Thank you so much in advance!!!

File Attachments

1) [Screen Shot 2024-06-03 at 10.21.17 PM.png](#), downloaded 47 times
