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Subject: Re: How to arrive at final wealth index score using PCA

Posted by [sgerrarevas](#) on Thu, 31 Oct 2024 01:27:16 GMT

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Using the predict command after running PCA will give you the factor scores based on the component you specified. This score can serve as a wealth index, but it is important to ensure that the PCA model is appropriately specified (e.g., the number of components retained). However, simply using the factor scores without additional adjustments (like standardization or weighting) might not fully align with the methodology used in the DHS to create their wealth index.

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