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

Posted by [Anonymous](#) on Sat, 23 Aug 2025 14:18:21 GMT

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hi, i think in DHS methodology, the wealth index is indeed based on the first principal component (PCA). Using predict in Stata after running PCA will give you the factor scores, which can be used to rank households. Two clarifications:

Yes, taking the first predicted factor score (usually wealthscore1) is sufficient to construct the wealth index.

Households are then ranked and divided into quintiles using survey weights (as you did with xtile).

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