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Subject: Wealth Index (DHS)

Posted by [emmaduke](#) on Tue, 20 Feb 2024 12:40:37 GMT

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blossom word game

Hello,

I 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.

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Subject: Re: Wealth Index (DHS)

Posted by [Janet-DHS](#) on Wed, 28 Feb 2024 19:02:31 GMT

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

There is a lot of information about the wealth index on the DHS website:

<https://www.dhsprogram.com/topics/wealth-index/index.cfm>. Yes, other researchers have constructed alternatives, particularly for non-DHS surveys. When using DHS surveys and data files, I don't see a reason to use an alternative.

The main distinction is between the continuous index (hv271 or v191 or mv191, depending on which file you are working with) and the quintiles (hv270, v190, or mv190), which divide the continuous index into 5 intervals with the same weighted numbers of de jure household residents in the PR file. If you are using all of India, you will use hv270 (etc.) rather than the state versions, which would only be used if you are restricting your analysis to a single state. hv270a would be

used for a national analysis if you want to adjust for the fact that wealth tends to be higher in urban areas than in rural areas.

I suggest that you open the PR file and enter "tab hv270 hv025 [iweight=hv005/1000000] if hv102==1, col" and "tab hv270a hv025 [iweight=hv005/1000000] if hv102==1, col". The first command will give equal-sized quintiles at the national level but not within the urban and rural subpopulations. The second command will give equal-sized quintiles at the national level AND within both the urban and rural subpopulations. Whether you select hv270 or hv270a depends on whether you want a measure of wealth that does not differentiate between urban and rural status. I personally prefer to use hv270, rather than hv270a. The tables in the final report use hv270.

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Subject: Re: Wealth Index (DHS)

Posted by [Anonymous](#) on Thu, 17 Oct 2024 02:50:59 GMT

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Are there any examples or guidelines on when constructing a custom wealth index is more beneficial for specific analyses?

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