Subject: Wealth Quintile calculation
Posted by thuda on Thu, 21 May 2015 03:10:58 GMT
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Hi: I am trying to calculate the wealth quintile with BDHS 2007 and 2011 data, without including the amenities (clean cook, toilet, electricity) as i would like to keep them as separate variable. However i don't understand the method that has been reported in the report. Is it possible to share the related stata or any other statistical software code and also briefly describe the method in more details (or is there any published reference that has used the same method).

i dont understand the following part

In the first step, a subset of indicators common to urban and rural areas is used to create wealth scores for households in both areas. Categorical variables are transformed into separate dichotomous (0-1) indicators. These indicators and those that are continuous are then examined using a principal components analysis to produce a common factor score for each household - WHICH VARIABLE HAVE BEEN TAKEN.

In the second step, separate factor scores are produced for households in urban and rural areas using area-specific indicators. DIDNT UNDERSTAND

The third step combines the separate area-specific factor scores to produce a nationally-applicable combined wealth index by adjusting area-specific scores through a regression on the common factor scores. DIDNT UNDERSTAND

Subject: Re: Wealth Quintile calculation
Posted by Trevor-DHS on Sat, 23 May 2015 04:32:55 GMT
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Please see http://www.dhsprogram.com/topics/wealth-index/Index.cfm for information on the calculation of the wealth index.

Also refer to http://www.dhsprogram.com/publications/publication-WP60-Work ing-Papers.cfm for more information on the calculation of the wealth index with separate scores calculated for urban and rural areas, and then combined into one national score.

Note that the algorithm for the wealth index has changed over time, and thus may vary from survey to survey.

For the code used for individual surveys, please see the Wealth Index Construction page at http://www.dhsprogram.com/topics/wealth-index/Wealth-Index-C onstruction.cfm.