Hi!

I would like to ask regarding the comparability of the wealth index for Indonesia in IDHS 2007 and IDHS 2012, because it seems to me that it used different procedure to calculate the wealth index (below), are they still comparable? I'm using it to analyze the trend in childhood mortality over the year and over socioeconomic status.

IDHS 2007
'To construct the index, each of these assets was assigned a weight (factor score) generated through principal component analysis, and the resulting asset scores were standardized in relation to a standard normal distribution with a mean of zero and standard deviation of one (Gwatkin et al., 2000). Each household was then assigned a score for each asset, and the scores were summed for each household. Individuals were ranked according to the total score of the household in which they resided. The sample was then divided into quintiles from one (lowest) to five (highest). A single asset index was developed on the basis of data from the entire country sample and this index is used in all the tabulations presented in the report.'

IDHS 2012
'In its current form, which takes better account of urban-rural differences in scores and indicators of wealth, the wealth index is created in three steps. 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. In the second step, separate factor scores are produced for households in urban and rural areas using area-specific indicators. 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. This three-step procedure permits greater adaptability of the wealth index in both urban and rural areas. The resulting combined wealth index has a mean of zero and a standard deviation of one. Once the index is computed, national-level wealth quintiles (from lowest to highest) are obtained by assigning the household score to each de jure household member, ranking each person in the population by his or her score, and then dividing the ranking into five equal categories, each comprising 20 percent of the population.'

Also I would like to construct a new pooled wealth index from IDHS 2007 and IDHS 2012 as well to do analysis of trend in childhood mortality using BR file. I do realize that some of the variables used to construct wealth index are not available in BR file thus need to be obtained using HR file. My question is whether it is still valid if I construct the wealth index using the remaining variable in the BR file or do I need to compute the wealth index using HR file then merged it with BR file?

Thank you very much beforehand!