
Subject: Transformation of data items into code 1 and 0
Posted by [Teresa Olivares](#) on Wed, 18 Nov 2020 03:38:29 GMT
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I just want to clarify why in the construction of the wealth index all present data items/variables are transformed into 1.

for example in drinking water supply why even unimproved drinking water supply need to recode to 1 (eg. river, unprotected well, etc)

however, in some articles, only those improved sources were recode to 1.

thank you

Subject: Re: Transformation of data items into code 1 and 0
Posted by [Bridgette-DHS](#) on Wed, 18 Nov 2020 21:01:22 GMT
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Following is a response from DHS Research & Data Analysis Director, Tom Pullum:

The wealth index is constructed with a factor analysis using binary (1/0) variables constructed for separate categories of variables such as source of drinking water. It is expected that improved water will be given a positive loading and unimproved sources will get a negative loading, but this is determined by the procedure and not in advance. That's why all sources are included.
