The economics of teacher supply

ANTONI ZABALZA
Lecturer in Economics,
London School of Economics and Political Science

PHILIP TURNBULL
Statistician, Department of the Environment

GARETH WILLIAMS
Professor of Educational Planning, University of Lancaster
# Contents

*Introduction by Professor M. Blaug and Mr R. Layard* viii

*Foreword* x

1 Teacher supply in Britain 1
   1.1 A panoramic view of the study 1
   1.2 The practical and theoretical rationale 5
   1.3 Methodology and data 9
   1.4 The structure of the book 10

2 An overview of the labour market for teachers 12
   2.1 The supply of teachers 12
   2.2 The demand for teachers 16
   2.3 The quota system 21
   2.4 Wages 22
   2.5 An evaluation 23

3 Salaries and wage negotiations 26
   3.1 The Burnham Primary and Secondary Committee 26
   3.2 An account of salary settlements from 1956 to 1974 26
   3.3 Summary of the negotiations and their effects 34
   3.4 The salary and career structure of the teaching profession 36
      3.4.1 The pre-1971 salary structure as exemplified by the 1969 Report 36
      3.4.2 The post-1971 salary structure 40
      3.4.3 Subsequent changes to the 1971 salary structure 40

4 A model of occupational choice 42
   4.1 The entry decision with flat earnings profiles 43
      4.1.1 The individual decision 43
      4.1.2 The aggregate supply function 46
   4.2 The entry decision with increasing earnings profiles 52
      4.2.1 The individual decision 53
      4.2.2 The aggregate supply function 55
   4.3 The leaving decision 57
   4.4 The workings of the model 57
4.5 Specification of the entry and leaving equations 60
4.6 Implications of the model for the subjective rate of discount 62

5 New entrants 64
5.1 Graduate new entrants 64
5.1.1 Preliminary analysis 64
5.1.2 Operational specifications of the model and data problems 67
5.1.3 Summary of the regression results 69
5.1.4 Subject differences in response 73
5.2 Non-graduate new entrants 74
5.2.1 Preliminary analysis 74
5.2.2 Operational specification of the model 78
5.2.3 Summary of the regression results 79
5.3 Estimation of the subjective rate of discount 80

6 Leavers 82
6.1 Preliminary analysis 82
6.2 Empirical specification and summary of the regression results 87
6.3 Conclusions 91

7 Inter-school and inter-regional mobility of teachers 94
7.1 Inter-school mobility 94
7.1.1 Some facts about inter-school mobility 94
7.1.2 Inter-school mobility and differentials in career prospects 99
7.2 Inter-regional mobility 105
7.2.1 The hypothesis 106
7.2.2 Empirical results 108
7.3 Mover or stayer: a discriminant analysis 110

8 The effect of special allowances 116
8.1 The London allowance and regional differences in supply 117
8.1.1 Stock comparisons 119
8.1.2 Flow comparisons 122
8.1.3 Earnings and promotion rates 124
8.1.4 Summary of findings on the London allowance 128
8.2 The School of Exceptional Difficulty allowance 128
8.2.1 Background 129
8.2.2 The SED teachers as designated in 1968 131
8.2.3 Stock comparisons 132
8.2.4 Earnings 136
8.2.5 Flow comparisons 137
8.2.6 Summary of findings on the School of Exceptional Difficulty allowance 140
8.3 General conclusions 142

9 Personal characteristics and the earnings of teachers: an earnings function approach 144
9.1 Introduction 144