Labour Supply, Occupational Choice And Shift Choice - A Structural Model

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We estimate a structural model of nurses’ labour supply. The structural approach allows us to model the labour force participation decision, the decision whether to work as a nurse or in another occupation, the choice of a shift pattern, and the number of hours worked as a joint outcome. We allow the preference parameters in the utility function to vary by certain family characteristics and personality. Our results suggest that average wage elasticities might be higher than previous research has found. This is mainly due to larger effects of wages on the decision to enter or exit the profession, rather than from their effect on increased working hours for those who already work in the profession. We find that the labour supply elasticities with respect to income are higher for nurses with children, while elasticities with respect to wages are higher for low qualified, older and childless nurses.