

Stephen Hennessy

PhD Candidate · Department of Economics
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Personal Information

Citizenship: Canada

Education

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|---|-----------------|
| McMaster University | Hamilton, ON |
| PhD Economics | 2026 (Expected) |
| Co-supervisors: Gajendran Raveendranathan & Zachary L. Mahone | |
| Committee members: Bettina Brüggemann & Angela Zheng | |
| MA Economics | 2020 |
| Saint Mary's University | Halifax, NS |
| BComm, Honours Economics and Finance | 2019 |

Research

Job Market Paper

Moving Home: Non-Market Housing and Labour Market Risk

In 2023, more than half of renter households spent above 30% of their gross income on housing costs. This type of non-discretionary spending exacerbates consumption losses while unemployed. I use data from the Health and Retirement Study to show that workers use the option to move home as an insurance channel against labour market risk, and this channel is operative into middle age (up to age 40). To quantify this insurance mechanism, I estimate a structural lifecycle model of individuals who can insure against unemployment risk via saving or moving home. Agents exist in a directed search environment where they trade off future job market outcomes against job finding rates. I find that for the average worker the option to move home is equivalent in welfare terms to a 42% reduction in the unemployment insurance benefit.

Working Paper

Parental Altruism and Transfers

This paper investigates the determinants of financial transfers from parents to adult children, with a focus on reconciling a key empirical puzzle: conditional on receipt, parental transfers are increasing in child income, a pattern inconsistent with typical models of intergenerational consumption smoothing. Using microdata from the Health and Retirement Study (1998–2018), I document robust patterns in the extensive and intensive margins of transfers with respect to child incomes. I show that while the likelihood of receiving a transfer declines with child income, the size of transfers rises with child income for most parent income groups. I develop a static model of parental altruism to highlight the tension between two mechanisms: altruistic parents reduce transfers as children become richer, but wealthier parents—whose children are also likely to have higher incomes give larger transfers. Allowing for heterogeneity in parental altruism allows the model to match both extensive margin and the average transfer, but cannot reproduce the positive relationship of the intensive margin with respect to child income.

Research interests: Quantitative macroeconomics, parental altruism, non-market insurance

Skills and Languages

Fortran, Julia, MATLAB, Stata, R, LaTeX

Employment

Research Assistant

Professor Michael Veall

Fall 2021 – Spring 2024
Productivity Partnership

Teaching Assistant

Environmental Economics

Spring 2024

Methods of Inquiry in Economics

Fall 2023

Public Sector Economics: Taxation

Winter 2023

Introduction to Macroeconomics

Winter & Summer 2021

Conference Presentations

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| Canadian Economics Association , 59 th Meeting, Montreal | 2025 |
| 58 th Meeting, Toronto | 2024 |
| 57 th Meeting, Winnipeg | 2023 |

Awards

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| Departmental Scholarship, McMaster University | 2019 – 2023 |
| Ontario Graduate Scholarship | 2019 |

Further Work Experience

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| Research Assistant | 2019 |
| Department of Marketing | |
| Sobey School of Business, Saint Mary's University | |
| Summer Associate | 2018 |
| Surveillance Strategies and Optimization | |
| TD Bank Financial Group, Global Anti-Money Laundering | |
| Research Associate | 2018 |
| Financial Sector | |
| Sobey School of Business IMPACT Fund | |

References

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|---|--|
| Gajendran Raveendranathan Associate Professor (Co-supervisor) raveeg1@mcmaster.ca | Department of Economics McMaster University |
| Zachary L. Mahone Assistant Professor (Co-supervisor) mahonez@mcmaster.ca | Department of Economics McMaster University |
| Bettina Brüggemann Associate Professor bruggeb@mcmaster.ca | Department of Economics McMaster University |
| Placement Director Chris Muris Associate Professor muerisc@mcmaster.ca | Department of Economics McMaster University |