

Stephen Hennessy

PhD Candidate · Department of Economics

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Personal Information

Citizenship: Canada

Education

McMaster University

PhD Economics

Hamilton, ON

2026 (Expected)

Co-supervisors: Gajendran Raveendranathan & Zachary L. Mahone

Committee members: Bettina Brüggemann & Angela Zheng

MA Economics

2020

Saint Mary's University

BComm, Honours Economics and Finance

Halifax, NS

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 among workers who can move home, eliminating the option reduces average search duration by 8 weeks. Further, the move home option is equivalent in welfare terms to a 71% increase in the unemployment benefit for an ex ante consumer.

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, Python, MATLAB, Stata, R, LaTeX

Employment

Research Assistant	Fall 2021 – Spring 2024
Professor Michael Veall	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

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

Awards

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

Further Work Experience

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	
Quantitative Skills Tutor	2017 – 2019
Math Help Center (now: Peer Academic Support Program)	
Sobey School of Business, Saint Mary's University	

References

Gajendran Raveendranathan	Department of Economics
Associate Professor (Co-supervisor)	McMaster University
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Zachary L. Mahone	Department of Economics
Assistant Professor (Co-supervisor)	McMaster University
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Bettina Brüggemann	Department of Economics
Associate Professor	McMaster University
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