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This brochure provides information about the qualifications and business practices of USA-Economics. If you have any questions about the contents of this brochure, please contact us at 681-203-3343.

Additional information about USA-Economics is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 169352.

**Item 2: Material Changes**

This is the original filing report. Hence there are no updates to a predecessor annual report.

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#### **Item 4: Advisory Business**

USA-Economics is a new financial planning business beginning operations in 2013. The principal and sole owner is Paul V. Hamilton, Ph.D. Dr. Hamilton is an economics professor at Asbury University in Wilmore, KY. He passed the Certified Financial Planner (CFP) exam in 2008 and became a CFP in 2012 once he met the financial planning experience requirements of the CFP Board. Dr. Hamilton has consulted with D. Scott Neal, Inc. in Lexington, KY.

USA-Economics provides financial planning advice primarily to individuals using the internet as the medium. The mission statement of USA-Economics is “Bringing Financial Planning to the People.” The focus of the company is meeting the advising needs of middle-class Americans whose financial pictures can be quite complex with little room for financial error. USA Economics addresses the financial needs of those who are reticent to pay large fees for financial advice or are wary of commission-based establishments. USA-Economics’ low-cost, high-value approach is achieved by utilizing in-house developed software and meeting with clients via the internet.

The software is highly customizable for clients of varying ages, incomes, family structures, and other differentiating factors. Each client deals solely with Dr. Hamilton who collects the necessary information and interprets for the clients the results and recommendations of the software. A typical client engagement involves an information session that collects the client’s goals, preferences and financial and personal data. Dr. Hamilton then uses the proprietary software to describe the client’s current financial situation and recommend a plan of action to best meet the client’s goals.

Once Financial Planning advice is presented, it is up to the client to carry out the implementation of the financial plan. USA-Economics will provide detailed instructions on how to do so (e.g. open a brokerage account). However, the client is under no obligation to act upon any of the recommendations made by USA-Economics under a Financial Planning engagement and/or engage the services of any recommended professional.

USA-Economics does not participate in any wrap-fee programs.

USA-Economics does not manage money; there are no discretionary accounts. Control and discretionary investment choices are solely the responsibility of the client.

## **Item 5: Fees and Compensation**

Fees for financial planning are generally quoted on the website or in a subsequent conversation with the client and are based on the nature of the financial planning needed and the complexity of the client's situation. All financial planning fees are negotiable at our discretion and billed directly. Typically, clients pay 100% of the fee upon executing a Client Advisory Agreement. A client can request a refund prior to the completion of the analysis; furthermore, USA-Economics is committed to the satisfaction of the client – if we cannot meet the stated goals in the contract then the client is entitled to a refund to the extent expectations were not met.

The USA-Economics website provides many client-initiated services. Typically these are provided free-of-charge as a service to those willing and able to pursue a better understanding of their financial planning opportunities. A set of advisor-based services are available on a flat fee basis. A flat fee as low as \$100 may occur for a one-dimensional analysis (e.g. social security scenarios) and range as high as \$1000 for a comprehensive plan. The fees and the associated services are stated up-front with sample hypothetical cases provided on the website such that clients can discern the utility of our services.

Fees paid to USA-Economics are exclusive of all custodial fees, brokerage commissions and transaction costs paid to the client's custodian, brokers, or other third-parties, as well as any fees and taxes on brokerage accounts and securities transactions.

USA-Economics is a fee-based financial advisor. There are no commissions based on sales. In fact, USA-Economics does not sell anything (e.g. insurance, mutual funds) other than advice. Furthermore a central theme of USA-Economics is to provide clients with good alternatives to commission-based financial products.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

USA-Economics does not have any performance-based fee arrangements (e.g. fees based on a share of appreciation of assets or net worth of a client).

## **Item 7: Types of Clients**

USA-Economics primarily serves individuals seeking financial advice. There are no wealth or income hurdles for clients either on the low or high end of the spectrum. Clients must be U.S. citizens or legal residents of the United States as the financial advising is based on U.S. policies.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss** **Methods of Analysis**

The focus of our financial planning style is to provide clarity to complex decisions using the simplest, low-cost methods that meet the client's goals and preferences. The type of financial advising provided seeks to characterize the tradeoffs amongst alternatives. For example the choice of whether to take social security benefits at age 62 or 70 or some age in between. Each alternative has outcomes where it is the best choice, ex-post. Understanding what outcomes are associated with each alternative is a key component of the client education and recommendations.

Guided by a belief in efficient markets, the investment strategy focuses on buy-and-hold scenarios. There is no attempt to time the market. Typically within each asset class a low-cost index fund or passively managed mutual fund is recommended. Since USA-Economics has no money management fees it can provide unbiased

recommendation on non-financial assets such as real estate and social security benefits. The asset distribution is determined using the client's risk preferences in tandem with their goals. The distribution among taxable assets, retirement accounts, and real assets including housing are based on the client's spending needs and wants, estate priorities, and their overall financial goals.

There is inherent risk in any chosen investment strategy. Namely the risks of market loss, inflation, policy shifts, mortality and other micro and macro factors that can alter the efficacy of the chosen investment strategy. USA-Economics advice seeks to guide the client to a balanced position that acknowledges that to insulate from all risks is a risk in itself. Thus a diversified portfolio both across asset classes, providers, tax-treatment, inflationary impact and other variables provides a robust portfolio to uncertain future events.

### **Item 9: Disciplinary Information**

USA-Economics has never faced any disciplinary events with the SEC, criminal court, civil court, foreign financial regulatory authority or other regulatory agency.

### **Item 10: Other Financial Industry Activities and Affiliations**

USA-Economics serves as an independent advisory group that has no direct relations with any other financial or non-financial entity. Specifically, there are no affiliations with a broker-dealer, commodity trader, investment company, bank, or insurance company. Furthermore while USA-Economics may recommend a client to pursue further action with a insurance company, attorney or brokerage there is no requirements for the client to proceed with a specific third-party nor is there any financial gain to USA-Economics for the client to pick a specific business for further action.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading Code of Ethics and Personal Trading**

We have adopted a Code of Ethics, the full text of which is available to you upon request. Our Code has several goals. First, the Code is designed to assist us in complying with applicable laws and regulations governing our investment advisory business. Under the Investment Advisers Act of 1940, we owe a fiduciary duty to our clients. Pursuant to these fiduciary duties, the Code reflects our commitment to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

As Dr. Hamilton is also a Certified Financial Planner (CFP) he must abide by the Code of Ethics and Responsibility of the Certified Financial Planner Board of Standards, Inc. The Code of Ethics and Responsibility requires CFP designees to not only comply with all applicable laws and regulations but to also act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP® designees are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners, and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

USA-Economics and specifically Dr. Hamilton will under no circumstance use information gleaned from the client's financial planning engagement to underhandedly benefit the firm. Typically conflicts of interest may arise if one were managing clients' money; we are not directly involved in the client's transactions with usually little or no knowledge of their trading activity.

#### **Item 12: Brokerage Practices**

USA-Economics has no formal or informal relationship with any brokerage. This allows our clients to choose the brokerage they are most comfortable with and believe would provide the best service. Generally the client is recommended to use low-cost brokers such as Vanguard, Charles Schwab, USAA and TD Ameritrade and for retirement accounts TIAA-CREF, Fidelity, Vanguard and USAA. Each of these firms is a FINRA-registered broker-dealer. These firms also serve as the custodians of clients' funds. We may recommend one of these over the other, but the final choice of custodian rests with the client.

USA-Economics does not receive any soft-dollars nor in any way has a participatory agreement with any third-party broker. This is to avoid any perceived or actual conflict of interest in the choice of broker recommendations.

#### **Item 13: Review of Accounts**

Client engagements are typically of a one-time nature. The engagement may extend over several days or weeks but once the agreed analysis and report are concluded, this ends the responsibilities of USA-Economics. The one-time fee covers the entire project. A written report in tandem with a verbal review is provided for all paid client engagements.

A client may subsequently hire USA-Economics for further financial planning issues or a restatement as future events may alter their situation. This new engagement would require a new contract.

#### **Item 14: Client Referrals and Other Compensation**

We do not have any formal arrangements with third-parties. However, we may send gift baskets or restaurant gift certificates of de minimis value to attorneys, accountants, or clients or take them to lunch as a thank you for referring a prospective client without any expectation of future referrals. We are not obligated to send any gift and may not send gifts consistently. We are not paid referral fees to refer clients to any other party.

#### **Item 15: Custody**

The aforementioned custodians hold nearly all client accounts. It is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify us of any questions or concerns. USA-Economics does not provide on-going client account information.

#### **Item 16: Investment Discretion**

USA-Economics only accepts non-discretionary accounts whereby the client is responsible for trading decisions and maintains complete control over their assets.

**Item 17: Voting Client Securities**

As a policy we do not vote proxies related to securities. This is in association with USA-Economics not having any investment management responsibilities beyond recommendations. The recommendations can be acted on by the client or deferred to another course of action.

**Item 18: Financial Information**

USA-Economics does not have any financial commitments that impair our ability to meet our contractual obligations to our clients. Fees are collected just prior to the financial planning engagement that is short-term in nature.

**Item 19: Requirements for State-Registered Advisers**

The President and sole owner of USA-Economics is Paul V. Hamilton, Ph.D.

Dr. Hamilton has a B.S. in Mechanical Engineering (University of Kentucky, 1991) and Ph.D. in Economics (Indiana University – Bloomington, 2002). He currently is an Associate Professor of Economics at Asbury University, a Christian liberal arts college located in Wilmore, KY. He has also had academic appointments at Rose-Hulman Institute of Technology, DePauw University, and Marshall University.

Dr. Hamilton is a Certified Financial Planner (CFP) based on passing the challenging CFP exam and meeting the educational and experience requirements of the CFP Board. He has consulted for D. Scott Neal, Inc. a private fee-based financial planning agency that caters to high net worth individuals in Lexington, KY.

Dr. Hamilton's primary work is academe teaching a range of economics, finance, and quantitative courses at Asbury University. He also conducts research on financial planning topics as well as other economic topics.

USA-Economics does not have custody or discretionary authority of client assets. Thus there is not a question of the business solvency.