

South Dakota Department of Labor & Regulation  
700 Governors Drive  
Pierre, SD 57501  
dlr.sd.gov

**For Immediate Release:** Wednesday, Oct. 5, 2011  
**Media Contact:** Dawn Dovre, 605-773-3094

## **Cash Prizes Offered in Annual State Securities Division Essay Contest**

**PIERRE, S.D.** – For the seventh year, the South Dakota Department of Labor and Regulation’s Division of Securities is giving high school seniors an opportunity to turn their knowledge of finances into actual cash.

“How to Create Financial Independence by Understanding Five Principles of Investing” is the title of the investor education and protection initiative that invites South Dakota high school seniors to submit an essay that could earn them cash prizes of up to \$5,000.

Under contest rules, essays must include one page on each of the five principles below:

- Research and discuss the three following types of retirement plans: Traditional IRA, Roth IRA and 401K. Explain the advantages and disadvantages of each retirement plan and discuss why an individual may want to invest in more than one type of retirement plan.
- Using a financial calculator, illustrate how you can obtain \$1 million by age 65. To attain this goal, you must use and combine at least three different specific investments from among the following: stocks, bonds, mutual funds and CDs using the current rate of return for the specific investments. Research and discuss the reasons why \$1 million may not be enough money for your generation to retire.
- Find an advertisement for an investment or business opportunity in the newspaper or online. Describe the opportunity, the initial and/or on-going costs to “invest/get into” the opportunity, its potential income and all the information you would need to review before investing your money. Include a discussion regarding any potential risks involved with the opportunity.
- Choose a specific mutual fund to invest in. Describe the mutual fund’s investment strategy, the types of investments held by the mutual fund, the minimum investment required (if any), and the average annual return over the past five years and the average annual return over the lifetime of the fund.

- Explain the differences in coverage provided by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). Explain how each corporation is funded, what risks are covered by each corporation and one investment product covered by each plan.

Essay applicants can consult any person or information sources for assistance, as long as the final essays are written in their own words without outside help. In addition to submitting the essay, each student must also be sponsored by a teacher from their high school. Essays are judged on their content as it relates to the five principles of investing, and placed in one of four levels: A, B, C or D.

When all papers are categorized, Securities Division officials will randomly draw two winners from Level A, with both winners receiving \$5,000. Teachers sponsoring the Level A winners receive \$500. Two essays will be randomly drawn from each of the remaining three levels (B, C and D) with those students receiving cash prizes of \$3,000, \$2000 and \$1,000 respectively. Teachers sponsoring the Level B, C and D winners will receive \$300, \$200 and \$100 respectively. The high school teacher sponsoring the most qualifying senior student essays wins \$500. In addition, there will be a random drawing among all sponsor teachers with the winner receiving \$500.

Last year's winning students and teachers represented schools in Warner, Parkston, West Central, Yankton, Highmore-Harrold, Centerville, O'Gorman and Irene-Wakonda.

The deadline to submit entries to the essay contest is Jan. 17, 2012, with winners to be announced by April 30, 2012. Hard copy entries only; electronic entries will not be accepted. Contest rules and more information are available at all South Dakota high schools or at [http://dlr.sd.gov/securities/essay\\_contest.aspx](http://dlr.sd.gov/securities/essay_contest.aspx).

The South Dakota Division of Securities Investor Education Essay Contest is funded by a grant from the Investor Protection Trust (IPT). The IPT is a nonprofit organization devoted to investor education. Since 1993, the IPT has worked with states to provide the independent, objective investor education needed by all Americans to make informed investment decisions. For more information, visit [www.investorprotection.org](http://www.investorprotection.org).