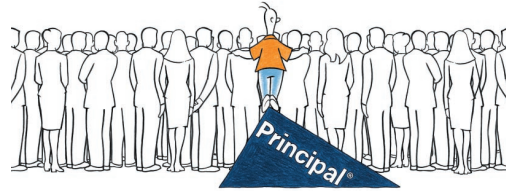


The Total View 2009



The 2008 market decline caused a corresponding decline in retirement savings balances.

- After peaking in 2007, the average retirement account balance declined by 28.5% in 2008 to an average of \$36,798, eroding most of the earnings from 2007

Retirement savings behavior remained steady in 2008 in the face of declining markets as participants remained focused on their long-term goals.

- 19.2% of participants have actually increased their contributions, which is more than the combined total of those who stopped contributing or decreased their contributions (16.5%)
- 73% have maintained their asset allocation¹
- Participation and salary deferral rates barely changed from 2007 to 2008 with participation dropping from 66.7% to 66.1% and deferral rates decreasing from 7.3% to 6.9%
- Among non-profit organizations, participation rates held relatively consistent from 64.6% in 2007 to 64.9% in 2008
- Early 2009 data reflects some participants are starting to react to the market

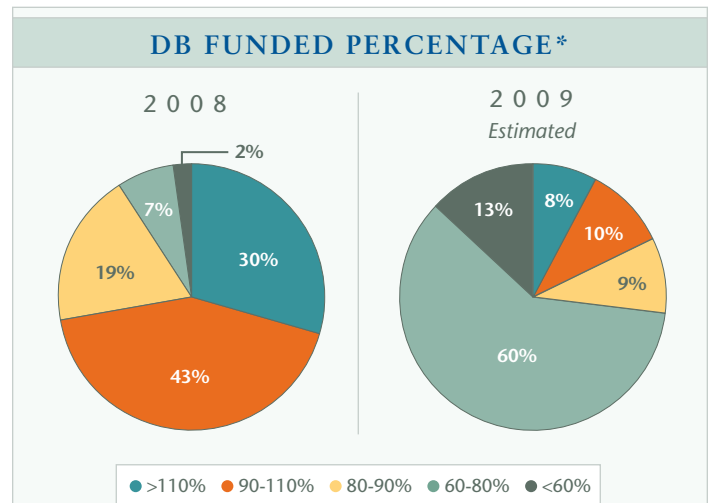
Many current workers expect to supplement their income in retirement by working.

- 72% plan to work after they retire, compared to 66% in 2007

In reality, working longer than planned is not an option for many hoping to rebuild retirement savings.

- 47% of retirees retired earlier than planned, most commonly due to reasons beyond their control (health or downsizing)²
- Only 7% retired later than they had planned²
- Just 34% of current retirees report they actually worked for pay at some time during their retirement²

The market decline in 2008 caused defined benefit (DB) plans' funded percentages to decline sharply.



*2009 estimated Adjusted Funding Target Attainment Percentages (AFTAPs) were calculated based on 650 DB plans using 110% of expected market value to reflect the asset smoothing relief under the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA 2008).

See the entire The Total View 2009 report for additional information about:

How automatic solutions affect participant behavior | Why turnkey asset allocation solutions are in demand

How regulatory changes are affecting plan sponsors | What plan sponsors are looking for in retirement plan solutions

¹The Principal Financial Well-Being IndexSM, 1st Quarter 2009

²Employee Benefits Research Institute (EBRI)/Greenwald 2009 Retirement Confidence Survey



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