



## A MESSAGE FROM THE PRESIDENT

By nearly every measure, America's workers are not saving enough for retirement. With a national savings rate hovering near zero, uncertainty over Social Security, a shrinking pool of defined benefit pension plans and 76 million baby boomers challenged to stretch their nest eggs over retirements that could last 30 years, it is more critical now than ever before that the collective eyes of the nation be focused on the retirement savings behaviors of today's workers.

As the nation's 401(k) leader and total retirement solutions innovator, The Principal is proud to present *The Total View* which provides one of the most comprehensive reports on retirement plan trends based on data for the 2004 calendar year. This study encompasses more than 35,000 retirement plan sponsors and 2.3 million participants served by The Principal. It is the only report of its kind that covers four core retirement plan designs: defined contribution, including 401(k), defined benefit, nonqualified and Employee Stock Ownership Plans (ESOP).

While our report shows some positive strides in savings behavior, there is no doubt that major challenges still loom on the retirement landscape.

Today more than ever, employers are driven to search for ways to save time and money administering their retirement programs. Our data shows a growing trend toward employers electing an integrated total retirement solutions approach – multiple plans using one service provider – which helps businesses achieve significant

cost savings and reduces the time and resources necessary to administer comprehensive benefits. At the same time, we've found that a multiple-plan approach results in higher savings by employees.

Employers are also concerned about helping their employees plan for retirement. They continue to implement new ways to help their employees save and plan for retirement. Employees want more “do-it-for-me” tools and services, such as target date funds, professionally managed accounts, and automatic salary deferral step-up programs.

The Principal is working hard to demystify the concept of retirement investment for employees, and to simplify for employers the administrative roles of retirement programs. We want to make a powerful and lasting difference in America's saving and investing behavior.

We invite you to use *The Total View* as a comprehensive benchmarking tool. Designed to spotlight and explain trends, and to offer concrete solutions for addressing industry challenges, this report is one more way The Principal gives you an edge.

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