

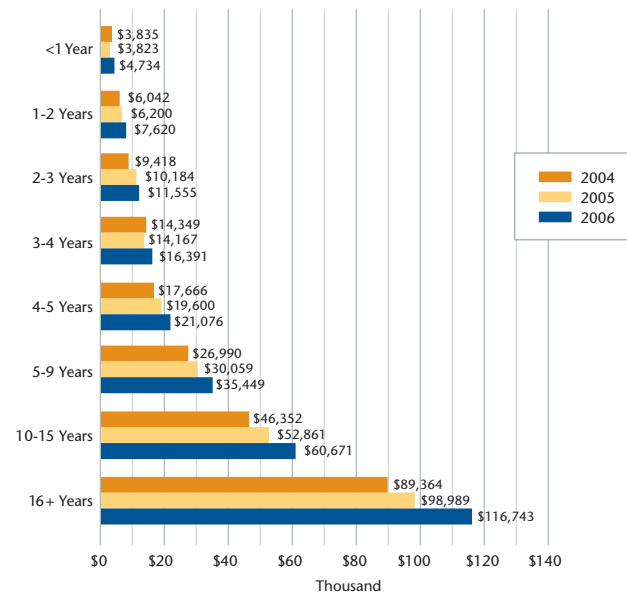
Account Balances

Account balances increased by double digits (12 percent) from 2005 to 2006. Account balances also increased industry-wide. The average account balance for retirement plans with services provided by The Principal as of year-end 2006 was \$36,541.

At The Principal, we found that **average balances increased as tenure increased**, and that companies with fewer than 50 employees had the highest average account balance. Account balances differ significantly by gender. Males continued to have average balances higher than females. However, females' average account balance rose by a slightly larger percent than that of males from 2005.

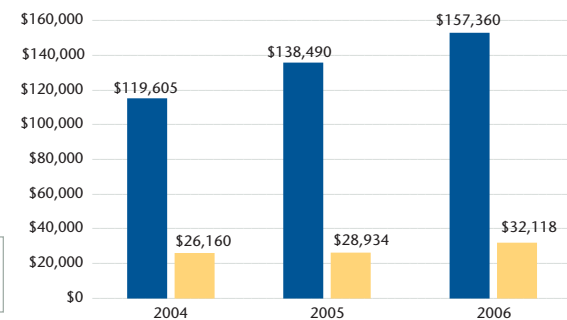
Average account balances experience exponential growth in the later years of employee service.

Average Account Balances by Years of Service

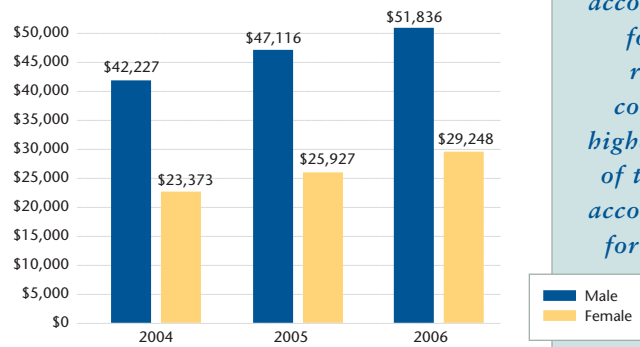


The greater the participant compensation, generally the higher the account balance.

Average Account Balances by Compensation Status

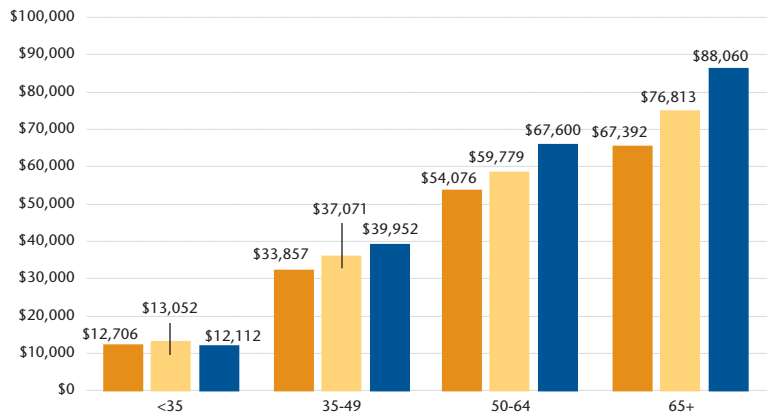


Average Account Balances by Gender



The average account balance for a man remained consistently higher than that of the average account balance for a woman.

Average Account Balances by Participant Age



Participants 50 years of age and older had the highest account balances. Younger participants (age 35 or younger) lagged far behind.

Industries

Mining and finance, insurance, and real estate industries had higher average account balances while tax-exempt organizations and transportation, communication, utilities, and sanitary services had the lowest average account balances.

Average Account Balances by Industry Category

