

Participation Rates

Employer Match Makes an Impact

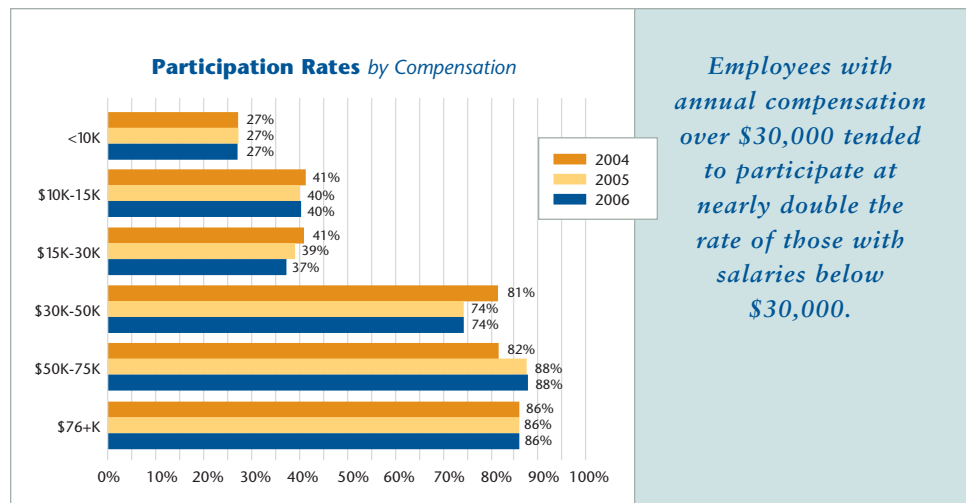
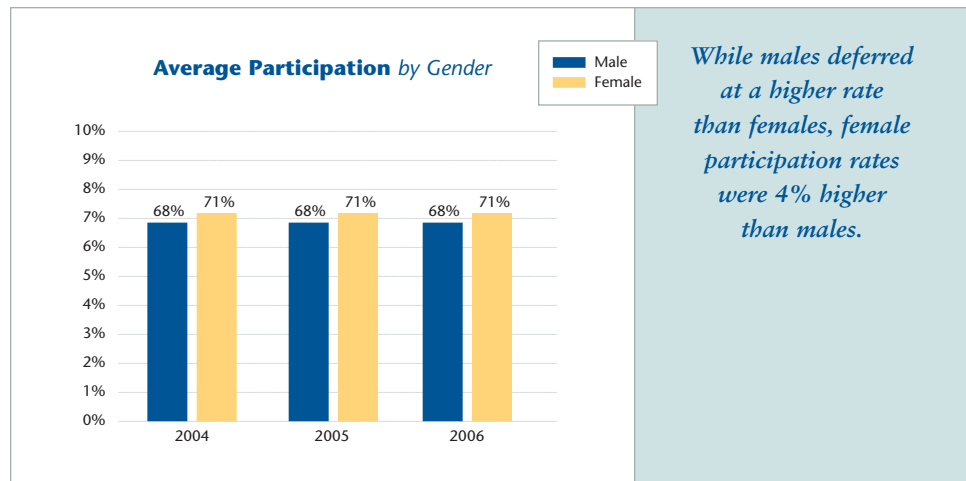
Employee participation rates increased as the average employer match increased. Participation rates were more than 10% higher for plans with an employer matching contribution than those without a match.

Participation rates also increased as years of service increased. Similar to average salary deferral rates and average account balance, participation rates were higher for highly compensated employees.

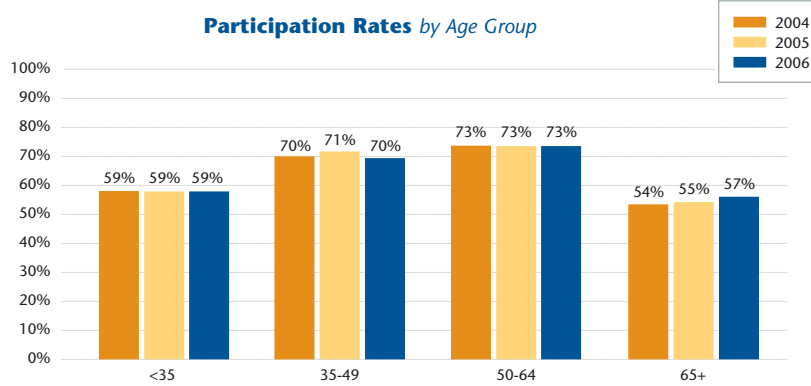
Various industries had higher rates than others. Mining and finance; insurance; and real estate were the industries leading in highest participation rates, while transportation; communication; utilities and sanitary services; retail trade; and construction had the lowest participation rates.

Participation in the retirement plan was the one area where females were higher than males. Female participation rates were 4 percent higher than males. Those aged 50-64 participated at higher rates.

At The Principal and across the industry, smaller organizations had higher participation rates than larger organizations.

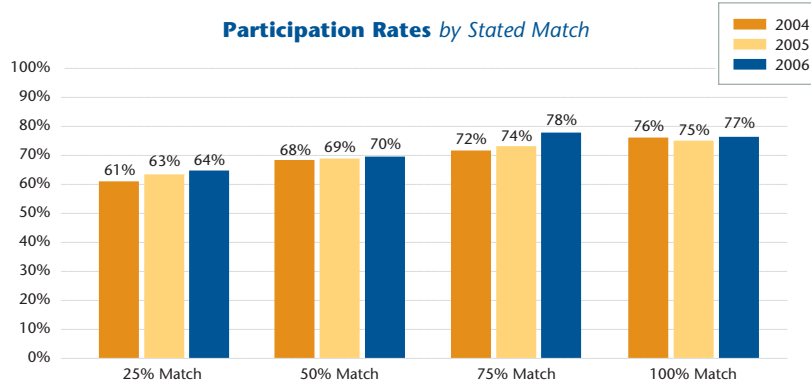


Participation Rates by Age Group



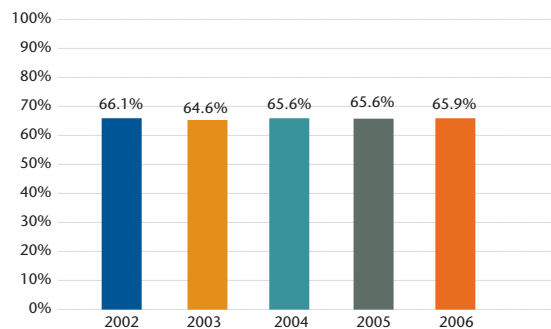
Participation increased with age. Many young employees were likely paying off college debts and credit card balances, rather than signing up for their employer's 401(k) plan.

Participation Rates by Stated Match



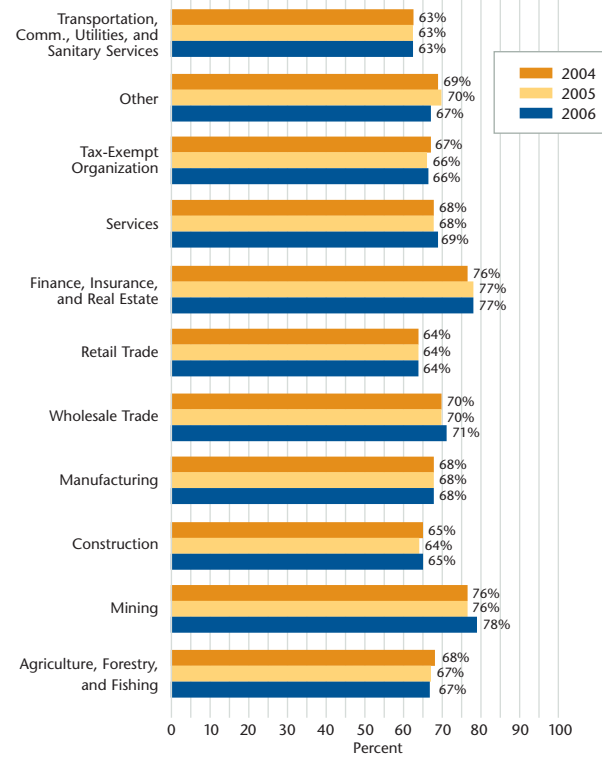
A higher employer match resulted in higher participation levels.

Participation Rates by Year (IIS* Data)



*Individual Investor Services (IIS)

Participation Rates by Industry Category



The financial sector continued to have strong participation. The rate of participation tended to lag in the transportation, communication, retail, and construction industries.