

Principal Financial Well Being Index SM

2nd Quarter 2012

Featured Key Findings

Featured Key Findings

- **Perceived Levels of Health – Physical and Financial –**
 - Employees are more likely to rate themselves as physically healthy (53%) than financially healthy (31%).
 - Over two out of five employees who use a financial professional (44%) rated themselves as financially healthy, compared to 25% of employees who do not use a financial professional.
 - Three quarters of employees (76%) think that by spending time and money on their physical health *now*, they will avoid major health costs later in life.
- **Financial Check Ups –**
 - In the past year, employees have given themselves a financial check up in various ways due to the economy:
 - About half have monitored spending levels (48 percent)
 - Over a quarter have created a budget (28%)
 - Another quarter have re-evaluated their investments (26%)
 - Nearly one in five have reviewed their insurance policies (18%)
 - Just under one in five have created a financial plan (17%)
- **Emergency Fund –**
 - Two-thirds of employees (66%, up from 61% in 4Q 2009) have an emergency fund (83% of employees who use a financial professional have an emergency fund compared to 58% of employees who do not use a financial professional).
 - Among employees with an emergency fund, two out of five (40%) can cover over 6 months of living expenses.
 - Fifteen percent of employees with an emergency fund have had to tap into their fund recently just to cover monthly expenses.
- **Retirement Savings and Readiness –**
 - A third of employees (34%) believe they are saving enough money to live comfortably in retirement and half of employees (51%) are aware of the amount of money they need in order to be comfortable in retirement – both consistent with last quarter.

Featured Key Findings

- ***Progress Toward Long-term Financial Goals –***

- Half of employees (51%) believe they are making good progress toward achieving their long-term financial goals.
- Over three out of five employees who use a financial professional (62%) believe they are making good progress toward their long-term financial goals, compared to 46% of employees who do not use a financial professional.

- ***Impediments to Financial Success –***

- The top factors which prevent employees from being financially successful include lack of saving (49%), debt (27%), not saving for their retirement early in their career (23%) and impulse purchases (23%).

- ***Upcoming Presidential Election –***

- The financial issue impacting more employees' (32%) decision in the upcoming election is the state of the economy.

- ***Summer Vacation Plans –***

- One third of employees (33%) have altered their vacation plans for this summer to some degree to save money.
- The issue most likely to impact employees' summer vacation plans is rising fuel prices, chosen by over two out of five employees (43%, down from 60% last year).
- About a quarter of employees (24%) are considering a staycation for their summer vacation plans in an effort to save money, while another 11% of employees said they will definitely take a staycation this summer.

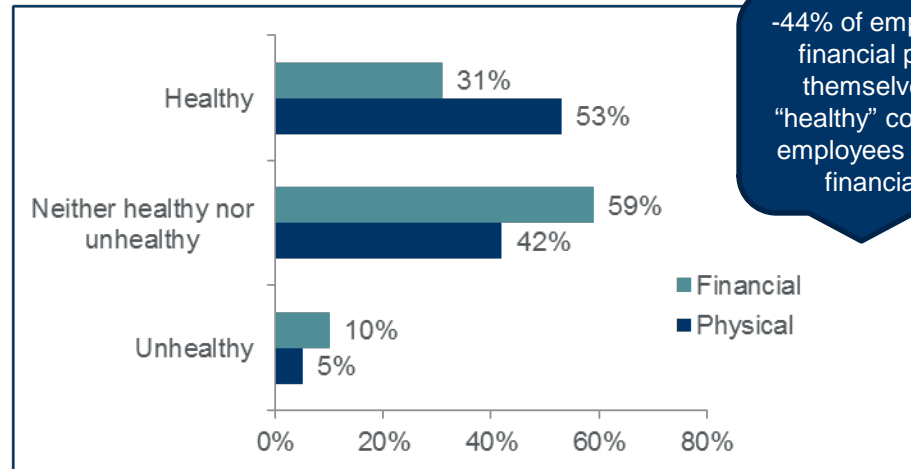
- ***Updating Wills and Reasons for Not Having a Will –***

- Over half of employees (54%) do not have a will and this is even more prevalent in households with lower incomes and among employees who do not use a financial professional.
 - Two out of five employees without a will (40%) said not having a will is not a priority for them and another 25% said they don't think they have enough money to worry about a will.
- Among those who have a will, over a quarter (26%) have updated their will in the past five years.

Detailed Findings

Perceived Levels of Health – Physical and Financial

- Generally, employees are more likely to rate themselves as physically healthy (53%) than financially healthy (31%).
- In terms of financial health, three out of five employees (59%) rated themselves as neither healthy nor unhealthy. Just under a third of employees (31%) rated themselves as financially healthy, while 10% rated their financial health as unhealthy.
- Over half of employees (53%) rated themselves as physically healthy, two out of five employees (42%) rated themselves as neither physically healthy or unhealthy and only 5% rated themselves as physically unhealthy.



-44% of employees who use a financial professional rate themselves as financially "healthy" compared to 25% of employees who do not use a financial professional

"Healthy" = Rating of 8, 9 or 10
"Neither healthy nor unhealthy" = Rating of 4, 5, 6 or 7
"Unhealthy" = Rating of 1, 2 or 3

"Please rate your overall financial health at this time using the following scale."

"Please rate your overall physical health at this time using the following scale."

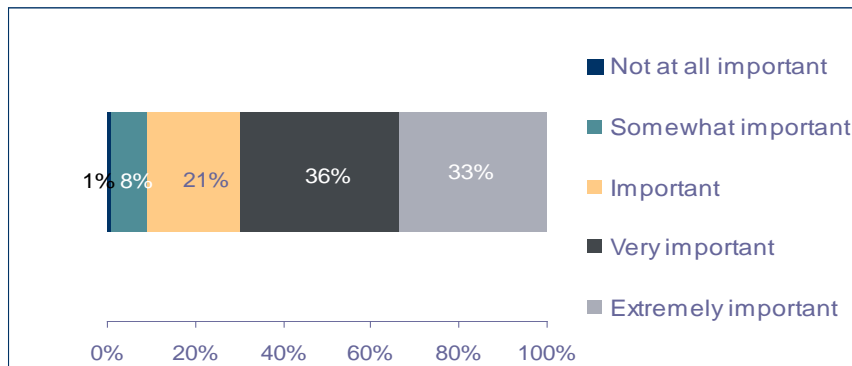
1 = Very Unhealthy and 10 = Very Healthy

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Importance of Physical Health on Financial Future

- The majority of employees (69%) believe it is either extremely important (33%) or very important (36%) for them to remain physically healthy in order to avoid major health expenditures later in life.
- In fact, only 1% of employees think remaining physically healthy is not at all important for avoiding future major health expenditures.

- The vast majority of employees (84%) agree to some extent that being physically healthy is an investment in their financial future.
- Three quarters of employees (76%) think that by spending time and money on their physical health now, they will avoid major health costs later in life.



	<i>“Being physically healthy is an investment in my financial future.”</i>	<i>“By spending time and money on my physical health now, I will avoid major health expenditures later in life.”</i>
Agree Completely	39%	28%
Agree Somewhat	45%	48%
Neither Agree nor Disagree	12%	17%
Disagree Somewhat	2%	6%
Disagree Completely	1%	1%

“How important is it for you to remain physically healthy in order to avoid major health expenditures later in life?”

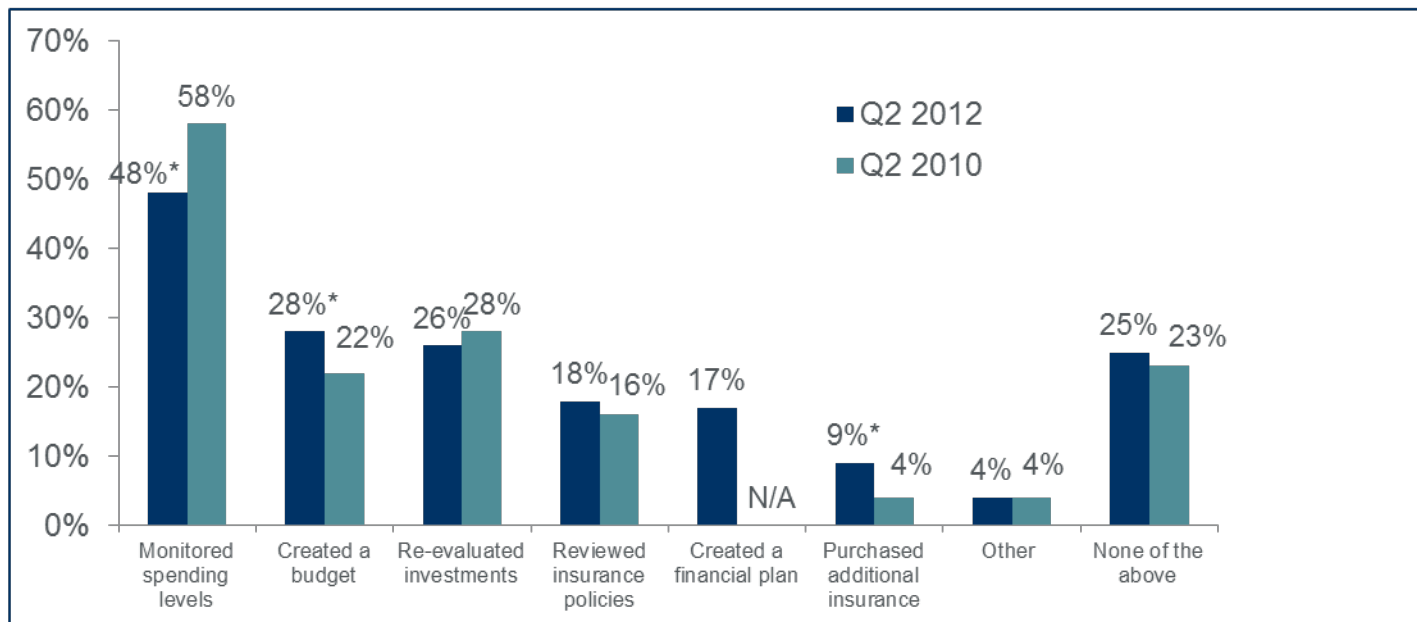
Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

“Please indicate the extent to which you agree or disagree with each of the following statements.”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Financial Check Ups Due to Economy

- In the past year, employees have given themselves a financial check up in various ways due to the economy:
 - Approximately half of employees (48%, down from 58%) have monitored spending levels
 - Over a quarter of employees (28%, up from 22%) have created a budget
 - Another quarter (26%) have re-evaluated their investments
 - Nearly one in five employees (18%) have reviewed their insurance policies
 - Seventeen percent have created a financial plan



*Varies significantly (95% confidence level) from previous quarter

“In which of the following ways have you given yourself a financial check up in the past year due to the economy?
Please select all that apply.”

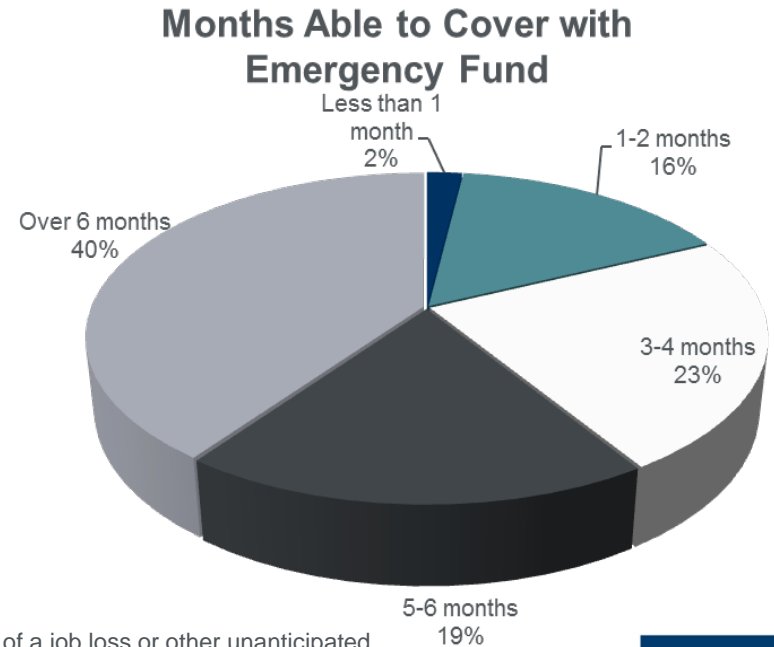
Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Emergency Fund

- Two-thirds of employees (66%, up from 61% in 4Q 2009) have an emergency fund they can access in the event of a job loss or other unanticipated major expense.
- ➔ — 83% of employees who use a financial professional have an emergency fund compared to 58% of employees who do not use a financial professional.
- Among employees with an emergency fund, two out of five (40%) can cover over 6 months of living expenses with their fund.

15%

of employees with an emergency fund have had to tap into their fund recently just to cover monthly expenses



“Do you have an emergency fund of money that you can immediately access in the event of a job loss or other unanticipated major expense?”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

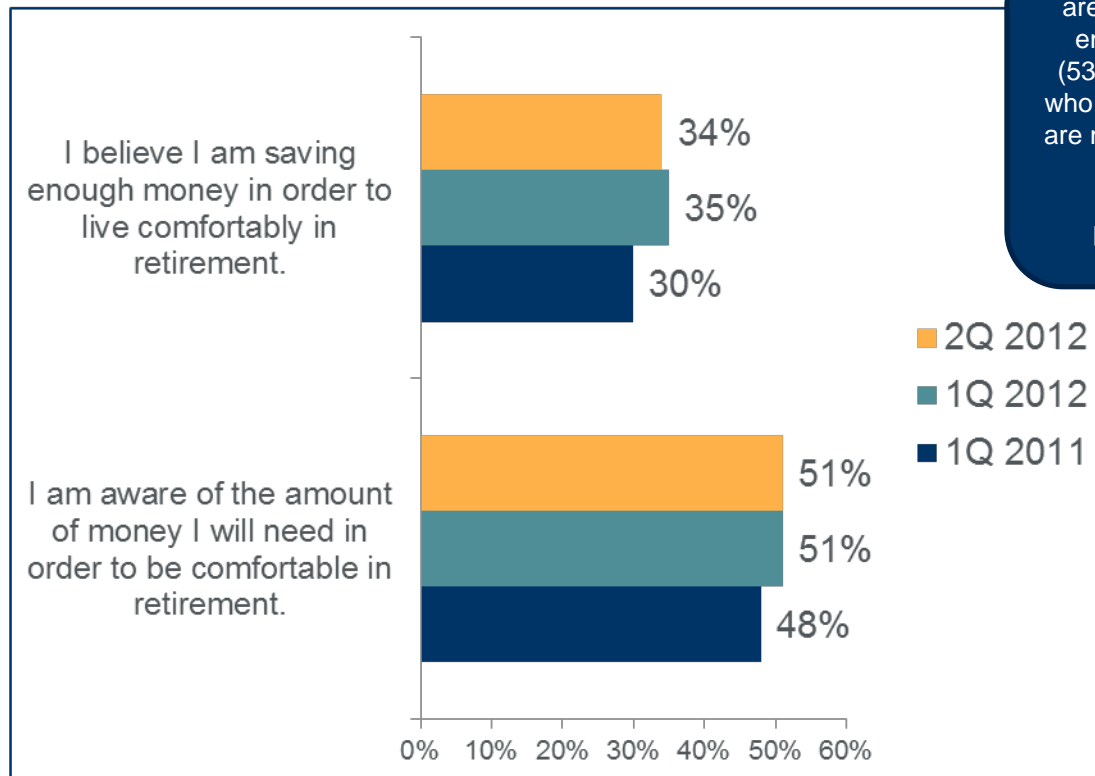
“How many months of living expenses could you cover with your emergency fund?”

“Have you had to tap into your emergency fund recently just to cover your monthly expenses?”

Base: 670 employees with an emergency fund

Retirement Savings and Readiness

- Consistent with 1Q of 2012, a third of employees (34%) believe they are saving enough money in order to live comfortably in retirement.
- Half of employees (51%) are aware of the amount of money they need in order to be comfortable in retirement, also consistent with 1Q of 2012.



Employees using a financial professional are more likely to believe they are saving enough to be comfortable in retirement (53% who use financial professional; 25% who do not use a financial professional) and are more likely to be aware of the amount of money they need for a comfortable retirement (69% who use financial professional; 43% who do not use a financial professional).

"Please indicate the extent to which you agree or disagree with each of the following statements."
Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Progress Toward Long-term Financial Goals

- Half of employees (51%) believe they are making good progress toward achieving their long-term financial goals.
- A quarter of employees (25%) indicate they have not yet planned for their retirement savings/security – a result similar to those seen in past quarters.
 - Nearly three out of ten employees who do not use a financial professional (28%) have not yet planned for retirement savings/security compared to 18% of employees who do use a financial professional.

62%
of employees who use a financial professional believe they are making good progress toward achieving their long-term financial goals compared to 46% of employees who do not use a financial professional.

“Please indicate the extent to which you agree or disagree with the following statements...”

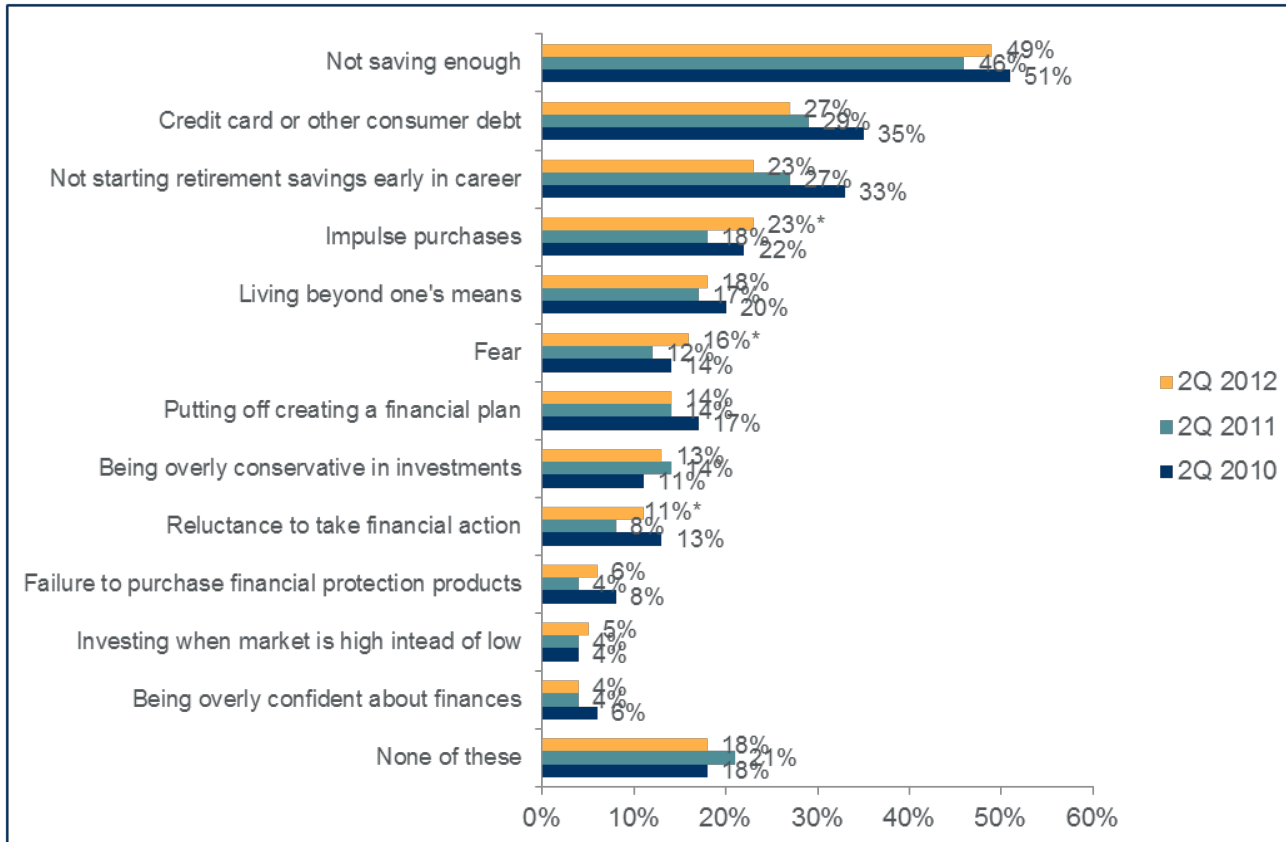
Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Percent Agreeing Completely or Somewhat (Top 2 Box)	2Q 2012	1Q 2012	4Q 2011	3Q 2011	2Q 2011
<i>“I believe I am making good progress toward achieving my long-term financial goals.”</i>	51%	N/A	N/A	N/A	N/A
<i>“I have not yet planned for retirement savings/security.”</i>	25%	28%	26%	29%	24%

*Varies significantly (95% confidence level) from previous quarter

Impediments to Financial Success

- The top factors which prevent employees from being financially successful include lack of saving (49%), debt (27%), not saving for their retirement early in their career (23%) and impulse purchases (23%).
- Impulse purchases, fear and reluctance to take financial action were all selected by more employees this year compared to 2011.



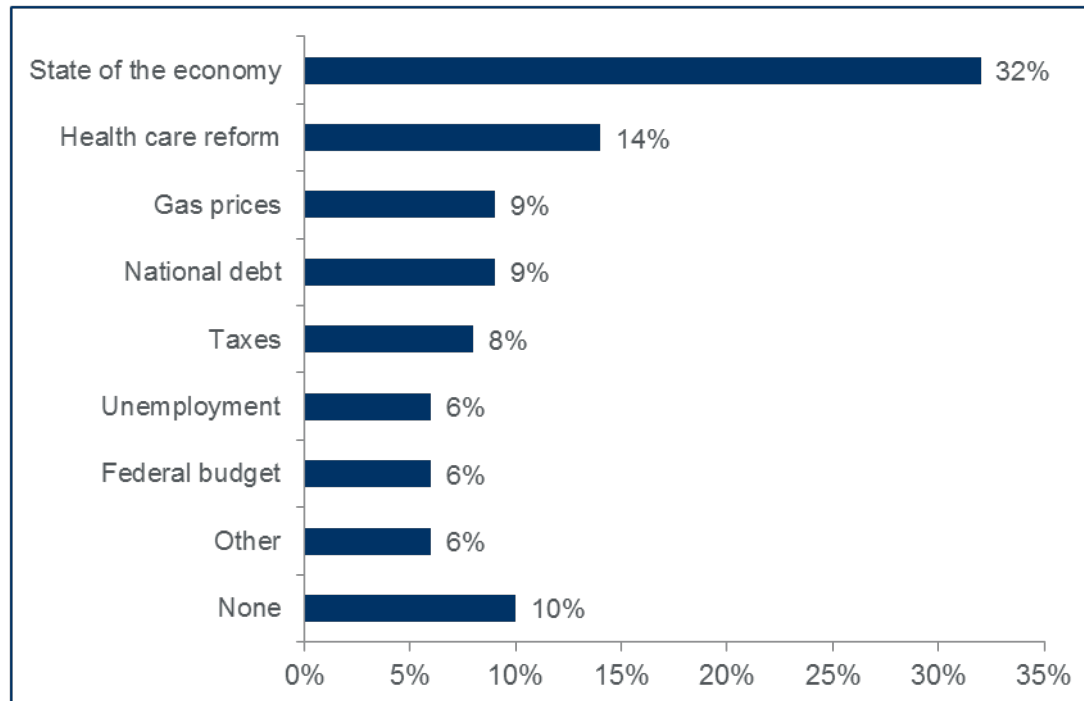
"What gets in the way of your personal financial success? Please select all that apply."

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

*Varies significantly (95% confidence level) from previous quarter

Financial Issue Impacting Decision in Presidential Election

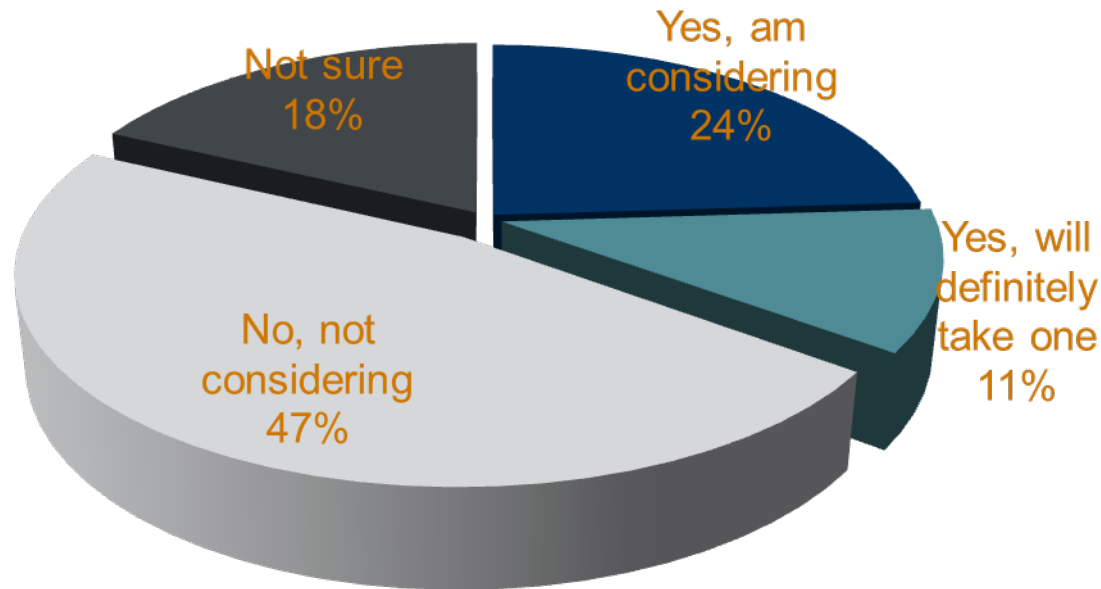
- The financial issue impacting more employees' (32%) decision in the upcoming presidential election is the state of the economy.
- The next financial issue in importance is health care reform, selected by 14% of employees.
- For one in ten employees (10%), no financial issue will impact their decision in the upcoming election.



"Which financial issue will have the most impact on your decision in the upcoming presidential election?"
Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Staycation

- About a quarter of employees (24%) are considering a staycation for their summer vacation plans in an effort to save money, while another 11% of employees said they will definitely be taking a staycation in order to save money this summer.
- Approximately half of employees (47%) are not considering a staycation for this summer.
- These findings are consistent with those from the summer of 2011.



“Are you considering a “staycation” for your summer vacation plans in an effort to save money? A staycation involves being a tourist in your local area.”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Economy and Summer Vacation Plans

- When asked if the economy has influenced their summer vacation plans, two out of five employees (40%) said they have not changed their plans due to the economy.
- One third of employees (33%) have altered their vacation plans for this summer to some degree in order to save money.

“Has the current state of the economy influenced your summer vacation plans?”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

	2Q 2012	2Q 2011	2Q 2010	2Q 2009	2Q 2008
I have drastically altered my summer vacation plans to save money	13%*	16%	14%	17%	12%
I have slightly altered my summer vacation plans to save money	20%	19%	20%	19%	20%
I have not changed my summer vacation plans	40%	40%	40%	32%	37%
I have slightly altered my summer vacation plans to spend more money	5%*	3%	1%	3%	2%
I have drastically altered my summer vacation plans to spend more money	2%	1%	1%	1%	2%
I was not planning to take a summer vacation	21%	20%	25%	28%	26%
	N=1,135	N=1,134	N=1,133	N=1,189	N=1,117

*Varies significantly (95% confidence level) from previous quarter

Factors Potentially Affecting Summer Vacation Plans

- The issue most likely to impact employees' summer vacation plans is rising fuel prices, chosen by over two out of five employees (43%, down significantly from 60% last year).
- Other issues employees fear could impact their summer travel plans include having enough money saved (31%), the loss of a job (27%), the price of airfare (25%) and being too busy at work (25%).

"Which of the following do you fear could potentially impact your summer vacation plans?"

Base: 866 employed U.S. adults in firms of 10-1,000 employees who plan to take a summer vacation

	2Q 2012	2Q 2011	2Q 2010	2Q 2009	2Q 2008
Rising fuel prices	43%*	60%	42%	33%	57%
Having enough money saved for vacation	31%	31%	35%	37%	35%
Loss of job	27%	25%	30%	39%	23%
Price of airfare^	25%*	10%	12%	8%	20%
Too busy at work	25%*	21%	21%	21%	19%
Job switch	7%	8%	11%	7%	9%
Other	7%*	4%	5%	6%	4%
I have no fear that anything will impact my summer vacation plans	17%*	13%	19%	24%	17%

*Varies significantly (95% confidence level) from previous quarter

^Prior to 2012, wording was "Airline delays/cancellations"

Updating Wills

- Employees were asked when was the last time they have updated their will. Over half of employees (54%) in response said they do not have a will.
- Fifteen percent of employees indicate they have updated their will in the last 1-2 years, while another 11% of employees said they have updated it within the past 3-5 years.

“When was the last time you updated your will?”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

	2Q 2012	2Q 2011	2Q 2010
Within the last 1-2 years	15%*	11%	12%
Within the last 3-5 years	11%	10%	13%
Within the last 6-10 years	7%	8%	6%
More than 10 years ago	5%	5%	8%
I have never updated my will	9%	8%	6%
I do not have a will	54%	57%	54%
	N=1,135	N=1,134	N=1,133

54%
of employees do NOT have a will and this is even more prevalent in lower income categories and among those not using a financial professional.



	Total	Less than \$35K	\$35K-\$49,999	\$50K - \$74,999	\$75K - \$124,999	\$125K - \$199,999	\$200K+
		A	B	C	D	E	F
I do not have a will	54%	65% ^E	70% ^{CDE}	54% ^E	53% ^E	38%	24%

*Note: presence of capital letter indicates significant difference from other income category

	Total	Use a financial professional	Do not use a financial professional
I do not have a will	54%	31%	64%*

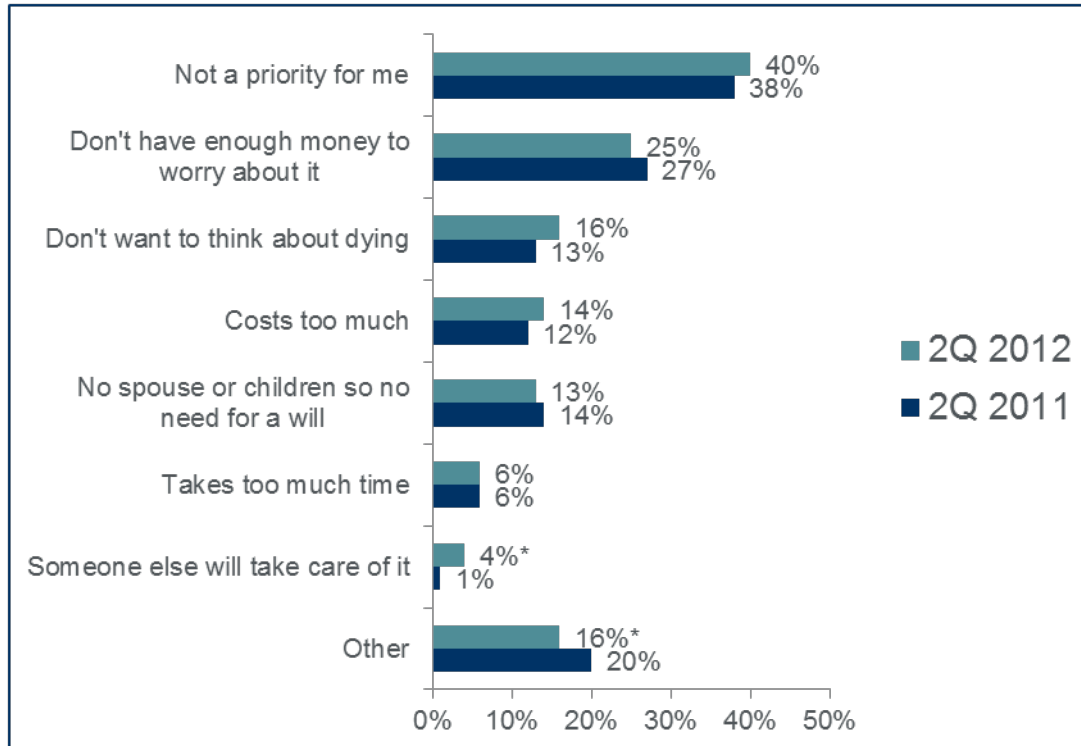
*Varies significantly (95% confidence level) from other category

*Varies significantly (95% confidence level) from previous quarter

Reasons for Not Having a Will

- Employees without a will were asked their reasons for not having one. Two out of five employees (40%) said having a will is not a priority for them.
- Another quarter (25%) said they don't have enough money to worry about a will.

"Why don't you have a will? Please select all that apply."
 Base: 676 employees who do not have a will



*Varies significantly (95% confidence level) from previous quarter

Financial Well Being

- A third of employees (34%) are extremely happy with their current financial well being.
 - Males (38%) are significantly more likely to agree they are extremely happy with their current financial well-being than females (30%).
- Compared to last quarter, fewer employees (57%, down from 67%) are very concerned about their long-term financial future.
 - Three out of five employees (60%) who do not use a financial professional are significantly more likely to agree they are very concerned about their long-term financial future than employees who do use a financial professional (48%).

48%
of employees who use a financial professional are extremely happy with their current financial well-being, compared to 28% of employees who do not use a financial professional.

“Please indicate the extent to which you agree or disagree with the following statements...”
 Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Percent Agreeing Completely or Somewhat (Top 2 Box)	2Q 2012	1Q 2012	4Q 2011	3Q 2011	2Q 2011
“I am extremely happy about my current financial well-being.”	34%	32%	31%	27%	27%
“I am very concerned about my long-term financial future.”	57%*	67%	70%	68%	63%

*Varies significantly (95% confidence level) from previous quarter

Achieving the “American Dream”

- The majority of employees (60%) believe the American Dream has been or will be harder for them to financially achieve than it was for their parents’ generation.
- This is comparable to the results obtained in 2010.

“The notion of “The American Dream” has involved holding a good job, owning a home, living in a secure community, and sending the children to a good school. To what extent do you agree with the following: The American Dream has been or will be harder for me to financially achieve than it was for my parent’s generation.”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

	2Q 2012	2Q 2011	2Q 2010	2Q 2009	2Q 2008
Agree Completely	29%	30%	26%	26%	23%
Agree Somewhat	31%	31%	30%	31%	36%
Neither Agree nor Disagree	22%*	18%	19%	18%	15%
Disagree Somewhat	13%	14%	18%	19%	18%
Disagree Completely	5%*	7%	7%	7%	9%

*Varies significantly (95% confidence level) from previous quarter

Confidence in Achieving Dreams

- Just under half of employees (46%) are either confident, very confident or extremely confident in their ability to achieve their dreams for their financial future.
- Slightly fewer employees this quarter (15%) said they are not at all confident about achieving their financial dreams than last quarter (19%)

“How confident are you that you that you will be able to achieve your dreams for your financial future?”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

	2Q 2012	1Q 2012	4Q 2011	3Q 2011	2Q 2011
Extremely confident	7%*	4%	4%	2%	4%
Very confident	12%	11%	10%	7%	10%
Confident	27%	28%	19%	20%	22%
Somewhat confident	39%	38%	43%	44%	43%
Not at all confident	15%*	19%	23%	26%	21%

*Varies significantly (95% confidence level) from previous quarter

Financial Dreams

- Top financial dreams for employees include financial security in retirement (19%), overall financial security (18%) and being debt free (14%).

“What is your top financial dream?”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

	2Q 2012	1Q 2012	4Q 2011	2Q 2011
Financial security in retirement	19%	20%	20%	20%
To be financially secure	18%*	23%	21%	22%
To be debt free	14%	12%	15%	16%
To not live paycheck to paycheck	11%	11%	11%	11%
Retire early	9%*	4%	5%	5%
Good health	8%	10%	8%	9%
To travel	4%	4%	4%	5%
To own a home	4%	4%	4%	3%
To enjoy leisure activities/hobbies	3%	3%	3%	2%
To be able to pay for kid(s)' college education	3%	3%	2%	2%
Leave an inheritance to children	2%	2%	2%	2%
Change in work/career	2%	1%	1%	2%
Other	<1%	<1%	<1%	1%
Not sure	2%	1%	1%	2%
Do not have financial dreams	<1%	1%	1%	<1%

*Varies significantly (95% confidence level) from previous quarter

Economic Outlook for 2012

- About half of employees (48%) indicate their sentiment regarding the economic outlook for the remainder of 2012 is 'cautious.' This is consistent with the number of employees who were cautious last quarter.
- Optimism dropped slightly from last quarter, when 27% of employees reported being 'optimistic' regarding their economic outlook for 2012, and now 22% of employees describe their sentiment as 'optimistic.'

"How would you describe your sentiment regarding the economic outlook for 2012?"
 Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

	2Q 2012	1Q 2012	3Q 2011	2Q 2011	1Q 2011
Cautious	48%	44%	51%	48%	45%
Optimistic	22%*	27%	12%	20%	28%
Pessimistic	16%	17%	28%	20%	15%
Neutral	10%	8%	7%	9%	10%
Not sure	5%*	3%	2%	3%	3%

*Varies significantly (95% confidence level) from previous quarter

Indicators of Economic Improvement

- For employees, the most important indicator of financial recovery is the unemployment rate, selected by three out of five employees (59%).
- Employees also look to consumer spending (45%), the employment status of their friends, family, and neighbors (39%), their/their spouse's personal income (38%) as well as home sales/new home construction (37%) as indications of economic improvement.

"Which of the following indicators are most important in helping you determine if we are on the road to financial recovery? Please select all that apply."

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

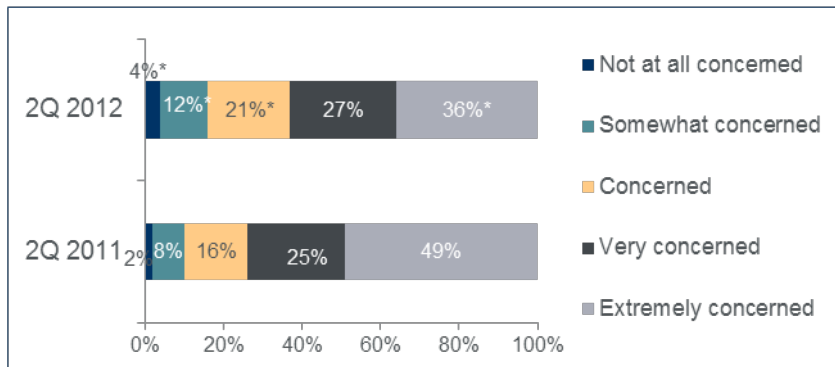
	2Q 2012	3Q 2010
Unemployment rate	59%*	75%
Consumer spending	45%*	52%
Employment status of my friends, family and neighbors	39%*	46%
My and/or my spouse's personal income	38%	N/A
Home sales/new home construction	37%*	43%
Stock market performance	33%	34%
Interest rates	33%*	41%
Financial experts' opinion of the health of the economy	15%*	8%
Other	6%	5%
None of the above	3%*	1%
Not sure	6%	6%

*Varies significantly (95% confidence level) from previous quarter

Rising Fuel Costs

Level of Concern

- Over three out of five employees (63%) are extremely or very concerned about rising fuel costs.
- Compared to 2011, the percentage of employees who are either extremely or very concerned about rising fuel costs has dropped significantly (63%, down from 74%).



*Varies significantly (95% confidence level) from previous quarter

"Please rate your level of concern with each of the following on your personal financial well-being: rising fuel costs?"

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Financial Changes

- Half of employees (50%, down from 58% in 2011) are driving less to compensate for rising fuel costs, while nearly a third (31%) are reducing their spending on basic necessities.

	2Q 2012	2Q 2011	3Q 2008
I am driving less	50%*	58%	61%
I have reduced my spending on basic necessities	31%	33%	43%
I am carpooling more often for my transportation needs	9%*	6%	10%
I am using public transportation more often	8%	6%	8%
I have fallen behind on my monthly bills	7%	6%	12%
I have reduced contributions to my retirement savings plan	6%	6%	5%
I have not made any changes	31%	29%	22%

*Varies significantly (95% confidence level) from previous quarter

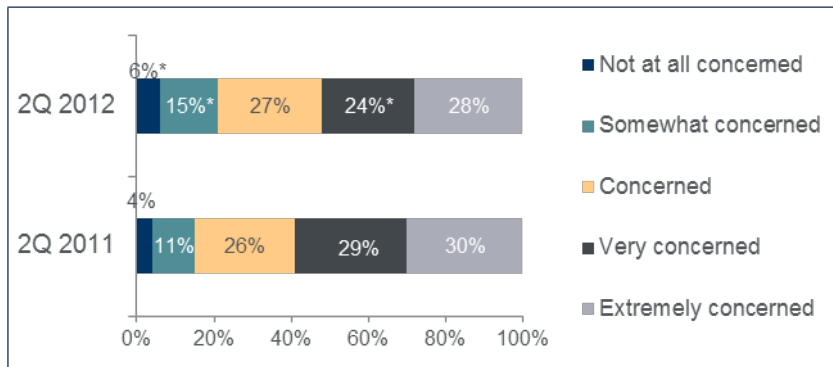
"What financial changes, if any, have you made to compensate for rising fuel costs? Please select all that apply."

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Rising Grocery/Food Prices

Level of Concern

- Just over half of employees (52%) are either extremely or very concerned about rising grocery/food prices.
- Compared to 2011, significantly fewer employees (52%, down from 59%) are either extremely or very concerned about rising grocery/food prices.



*Varies significantly (95% confidence level) from previous quarter

"Please rate your level of concern with each of the following on your personal financial well-being: rising grocery/food prices?"

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Changes Made

- About half of employees are going out to eat less (52%), clipping coupons more (50%) and purchasing store or generic brands (48%) due to rising grocery/food prices.

	2Q 2012	2Q 2011	3Q 2008
Go out to eat less	52%	48%	62%
Clip coupons more	50%	47%	51%
Purchase store or generic brands	48%	48%	57%
Shop at multiple stores to take advantage of current sales	34%	33%	36%
Sacrifice convenience and premium items for lower cost alternatives	26%*	35%	40%
Buy in bulk	25%	22%	29%
Become a member of a wholesale store such as Sam's Club or Costco	16%*	13%	16%
Put grocery purchases on credit cards	8%	8%	11%
Other	4%	4%	5%
None of the above	13%*	16%	10%

*Varies significantly (95% confidence level) from previous quarter

"How are you dealing with the recent increases in grocery prices? Please select all that apply."

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Financial Professional Usage

- A third of employees (32%) use a financial professional who provides them with financial advice, guidance and/or products for a fee or commission.
- Among those who use a financial professional, just over half (54%) have created a plan with their financial professional to achieve their financial goals.

32%

of employees use a financial professional who provides them with financial advice, guidance and/or products for a fee or commission. Usage increases with household income (see below).

	Household Income						
	Total	Less than \$35K	\$35K-\$49,999	\$50K - \$74,999	\$75K - \$124,999	\$125K - \$199,999	\$200K+
Financial Professional Usage	32%	20%	28%	31%	32%*	42%*	50%

*Significantly (95% confidence level) higher than less than \$35K income category

	2Q 2012	1Q 2012	1Q 2011
Yes, I have worked with my financial professional to establish goals for my financial security	59%	60%	64%
Yes, I have worked with my financial professional to create a plan to achieve my financial goals	54%	57%	50%
No, I have not worked with my financial professional to establish goals or create a plan to achieve financial goals	20%	15%	15%

“Do you use a financial professional who provides you financial advice, guidance, and/or products for a fee or commission?”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

“Have you worked with your financial professional to establish goals for your financial security and created a plan to achieve those goals? Please select all that apply.”

Base: 299 of employees who use a financial professional

Reasons for *Not* Using a Financial Professional

“Which one of the following reasons best explains why you do not use a financial professional for financial advice, guidance and/or products?”

Base: 836 employed U.S. adults in firms of 10-1,000 employees who do not use a financial professional

	2Q 2012	2Q 2011
Don't want to pay a fee	24%*	20%
Don't think I have enough savings or investments	21%*	27%
Don't trust financial professionals	12%	14%
Know enough on my own	11%*	7%
Haven't taken the time to find one	5%	6%
Not sure how to go about finding a financial professional	5%*	3%
Rely on family, friends and/or coworkers for financial advice, guidance and/or products	4%	3%
Haven't been able to find a financial professional I can relate well with	2%	3%
Requires too much time	2%	2%
Other	5%	5%
Not sure	10%	10%

- The most common reason for not using a financial professional among employees is not wanting to pay a fee (24%, up from 20% in 2011), followed closely by thinking they do not have enough savings or investments (21%).

*Varies significantly (95% confidence level) from previous quarter

Perceived Required Savings/Investment Amounts for Using a Financial Professional

- Over a quarter of employees who do not use a financial professional (27%) think they would need at least \$100,000 in savings or investments in order to feel comfortable using a financial professional for advice or guidance.
- Another two out of five employees (38%) are not sure how much savings or investments they would need to feel comfortable.

	2Q 2012	1Q 2012	1Q 2011
\$0; No savings or investments required	6%	8%	6%
\$1 - \$999	2%	1%	1%
\$1,000 - \$4,999	2%	2%	2%
\$5,000 - \$9,999	3%	2%	2%
\$10,000 - \$14,999	4%	4%	3%
\$15,000 - \$24,999	3%	4%	3%
\$25,000 - \$49,999	6%	5%	5%
\$50,000 - \$74,999	6%*	10%	9%
\$75,000 - \$99,999	3%	2%	1%
\$100,000 or more	27%*	21%	28%
Not sure	38%	40%	40%

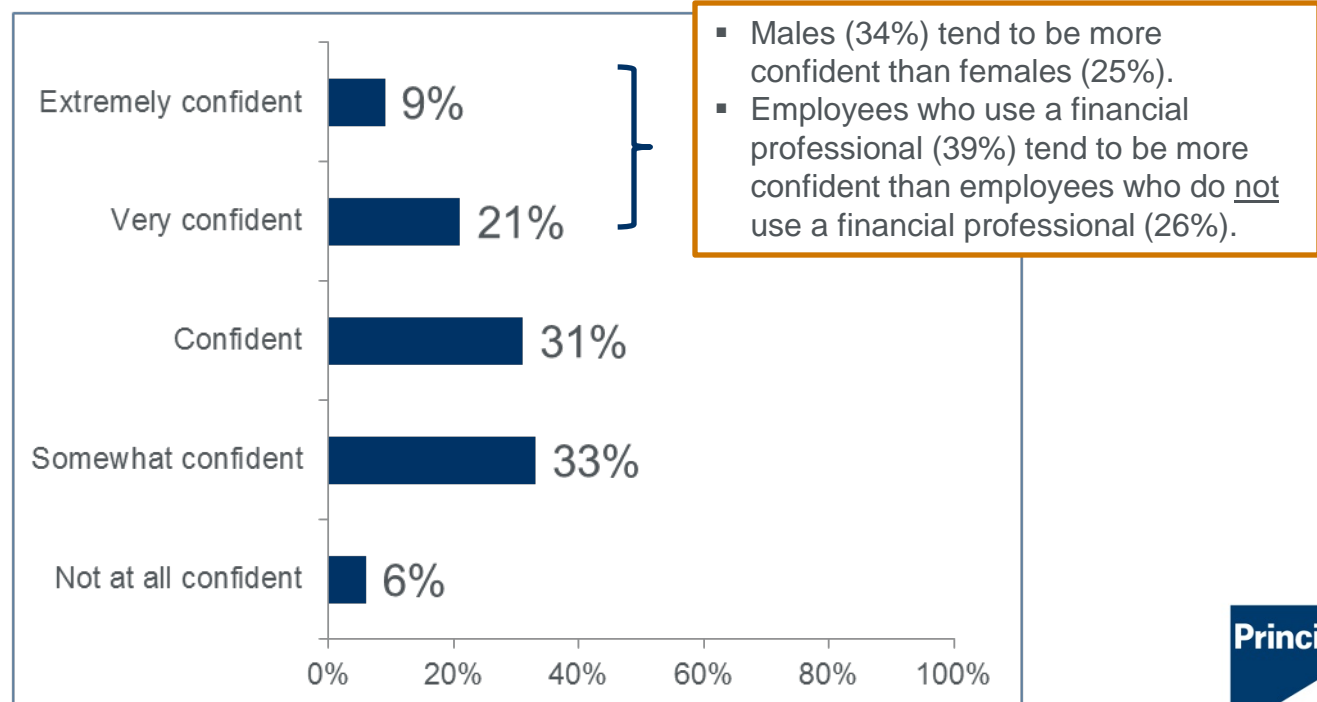
*Varies significantly (95% confidence level) from previous quarter

“How much savings or investments, if any, do you think you would need in order to feel comfortable using a financial professional for financial advice or guidance?”

Base: 836 employed U.S. adults in firms of 10-1,000 employees who do not use a financial professional

Confidence in Making Financial Decisions

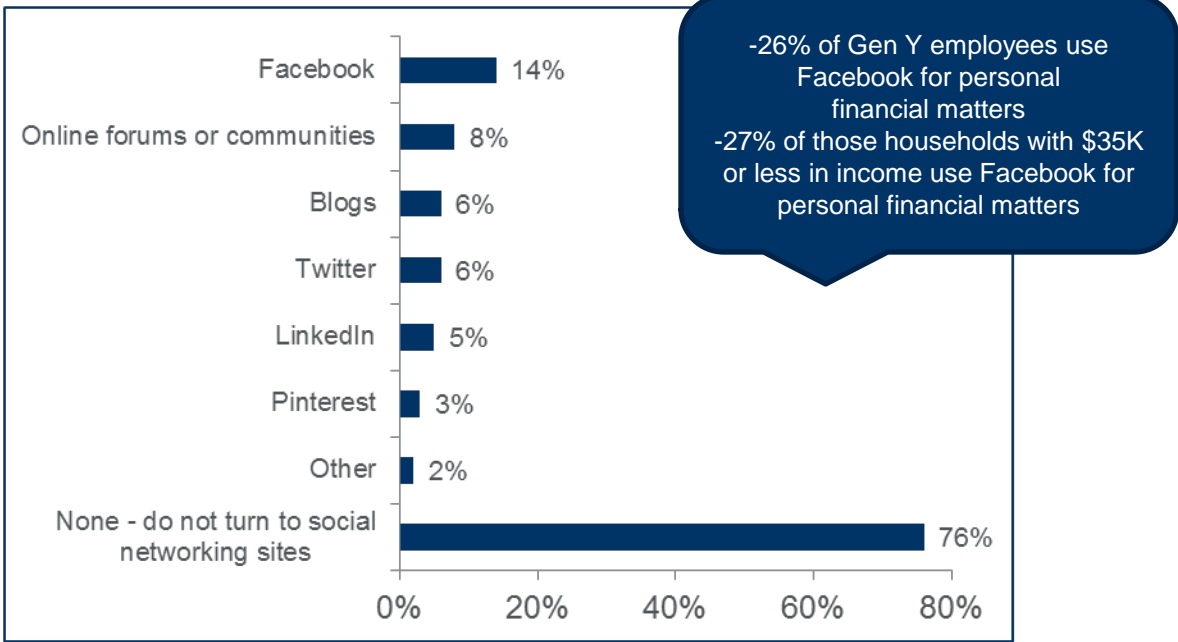
- Three out of ten employees (30%) said they are either extremely confident or very confident in making financial decisions for themselves and their family.
- Almost another third of employees (31%) are confident in making financial decisions for themselves and their family and an additional third of employees (33%) are somewhat confident. Only 6% of employees are not at all confident in making financial decisions for themselves and their families.



"How confident are you in making financial decisions for you (and your family)?"
Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Personal Finances and Social Networking

- The vast majority of employees (76%) do not turn to social networking sites for advice, guidance and/or education in matters related to their personal finances.
- Facebook is the site most commonly utilized for personal financial matters (14%).



“Which of the following social networking sites do you turn to for advice, guidance and/or education in matters related to your personal finances?”
Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

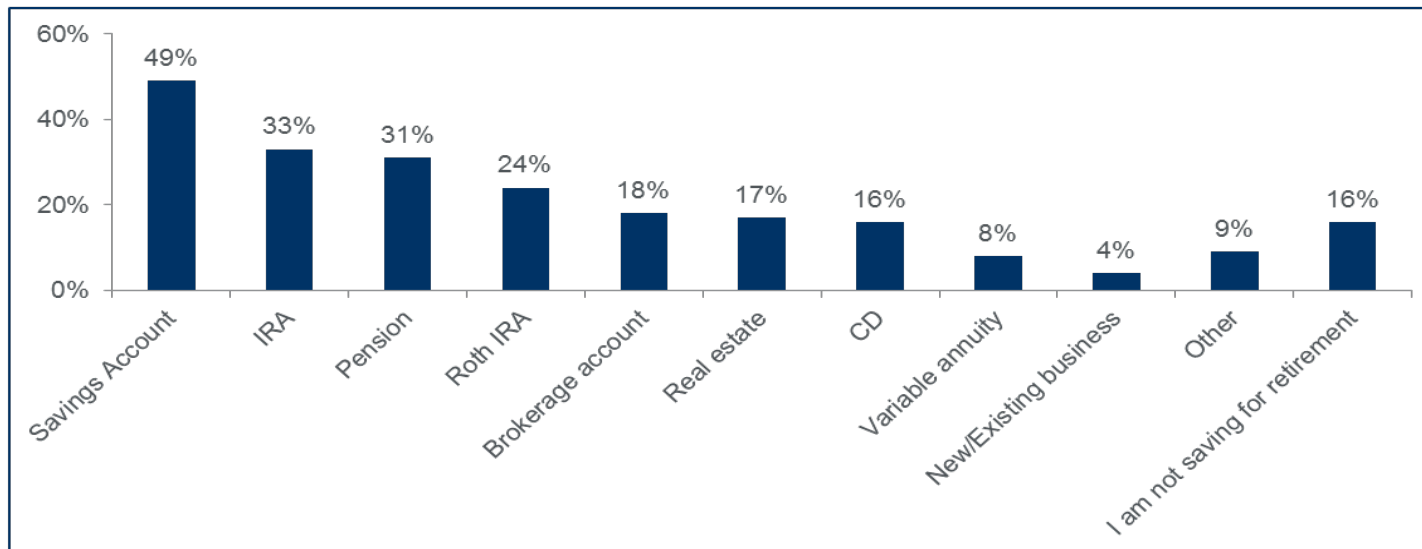
Retirement Savings

- Beyond a 401(k) account, the most common means of saving for retirement include a savings account (49%), IRA (33%), pension (31%), and Roth IRA (24%).
- Sixteen percent of employees are not saving for their retirement at all.

84%

of employees offered a 401(k) through their employers are currently participating, and this number jumps up to 94% among those using a financial professional (compared to 79% of those not using a financial professional).

Base: 665 employees whose employer offers a 401(k) account



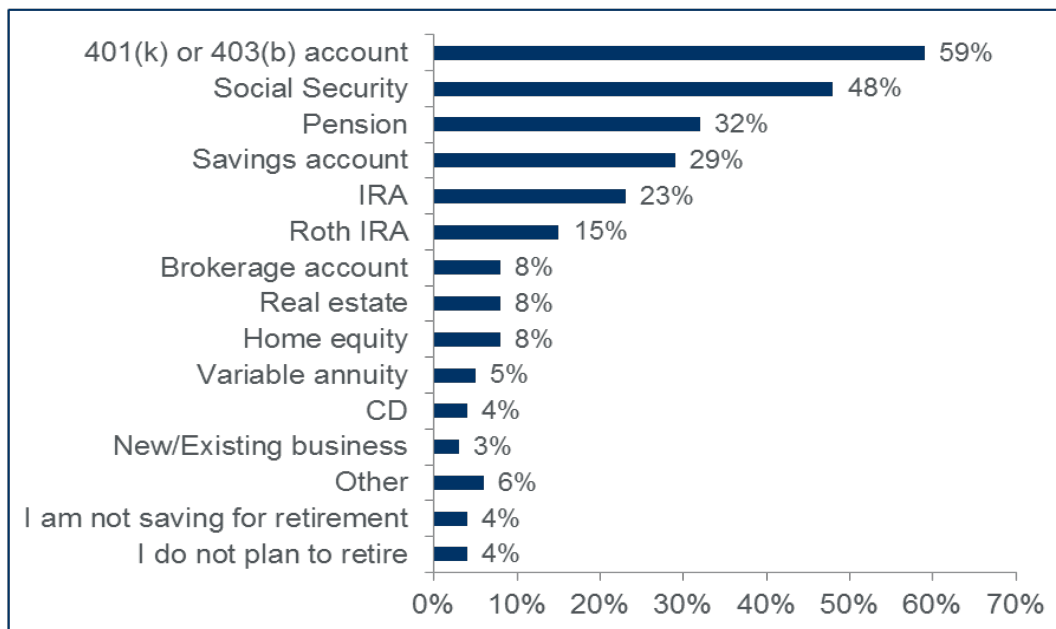
“Are you currently participating in your defined contribution plan (such as 401(k) plan, etc.)?”

“How (else) are you saving for your retirement, if at all? Please select all that apply.”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Top Sources of Retirement Income

- Employees were asked their top three sources of income in retirement.
- The most common selections included:
 - A 401(k)/403(b) account (59%)
 - Social Security (48%)
 - Pension (32%)
 - Savings account (29%)
 - IRA (23%)



“Which of the following will be your top three sources of income in retirement? Please select up to three.”
Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Confidence in Having Adequate Life Insurance

- Up significantly from 2011, over a quarter of employees (27%, up from 19%) are either extremely confident or very confident that they are adequately covered by their life insurance.
- Another quarter or so of employees (24%) are confident they have adequate life insurance while just over another third (37%) are somewhat confident.
- Only 12% of employees said they are not at all confident they have adequate life insurance coverage.

“How confident are you that you have an adequate amount of life insurance?”

Base: 919 employees who own a life insurance policy on themselves

	2Q 2012	2Q 2011	2Q 2010
Extremely confident	10%*	7%	9%
Very confident	17%*	12%	11%
Confident	24%	27%	42%
Somewhat confident	37%	36%	25%
Not at all confident	12%*	18%	13%

*Varies significantly (95% confidence level) from previous quarter

82%

of employees report they have life insurance on themselves

Benefits – Impact on Employee Productivity and Retention

- Nearly three out of five employees (57%) agree to some extent that having a good employee benefits plan encourages them to work harder and perform better – this is a significant drop from previous quarters (most recently 4Q 2011, 68%).
- Three out of five employees (60%) agree to some extent that having a good employee benefits plan keeps them working for their current company – another significant drop from last quarter (4Q 2011, 66%).
- Just under a quarter of employees (23%, down from 28%) agree that their company is concerned about their long-term financial future.

“Please indicate the extent to which you agree or disagree with the following statements...”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

Percent agreeing completely or somewhat	2Q 2012	4Q 2011	4Q 2010	4Q 2009	4Q 2008
“Having a good employee benefits plan encourages me to work harder and perform better.”	57%*	68%	68%	69%	69%
“Having a good employee benefits plan keeps me working for my current company.”	60%*	66%	67%	64%	68%
“My company is concerned about my long-term financial future.”	23%*	28%	29%	29%	30%

*Varies significantly (95% confidence level) from previous quarter

Benefits Programs Offered

“What types of benefit programs (excluding vacations and holidays) does your company currently offer you? Please select all that apply.”

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

	2Q 2012	2Q 2011	2Q 2010	2Q 2009	2Q 2008
Health Insurance	87%	88%	92%	91%	92%
Dental Insurance	75%	72%	76%	75%	71%
Life Insurance	64%	62%	65%	62%	68%
Vision insurance	58%	55%	N/A	N/A	N/A
Defined Contribution Plan	55%*	62%	66%	65%	71%
Free Parking	54%	57%	60%	56%	60%
Disability Insurance	44%	41%	39%	42%	49%
Tuition Reimbursement	24%	26%	28%	24%	29%
Flex Time	24%	22%	22%	20%	26%
Defined Benefit Plan	22%	19%	24%	22%	21%
Profit Sharing/Bonus	18%	19%	16%	24%	22%
Financial Planning	11%*	8%	11%	8%	8%
Stock Options	11%*	8%	7%	5%	8%
Legal Services	10%	8%	7%	6%	7%
Personal Banking Services	5%	6%	5%	4%	5%
Child Care Subsidies	5%*	3%	3%	2%	3%
Executive Benefits	5%	4%	5%	5%	3%
On-site Day Care	4%	3%	2%	2%	3%
Other	5%*	3%	6%	4%	8%

- The top benefits offered at small-medium sized businesses include health insurance (87%), dental insurance (75%), life insurance (64%), vision insurance (58%), defined contribution plan (55%) and free parking (54%).
- One noteworthy change from 2011 was the drop in companies offering a defined contribution plan (55%, down from 62%).

*Varies significantly (95% confidence level) from previous quarter

Benefit Satisfaction

- In terms of benefit satisfaction, employees are most likely to be satisfied with their defined benefit plans (66%) and life insurance (60%).
- Compared to 2011, satisfaction levels rose significantly for life insurance, health insurance and dental insurance.

“Although you may have mentioned more than appear below, you indicated that you have the following benefit program(s) through your company. Using a scale from “1” to “10”, where “1” means Not At All Satisfied and “10” means Very Satisfied, please indicate how satisfied you are with each benefit program.”

Percentages included in chart represent those rating their satisfaction an 8, 9 or 10.

Base: varies by benefit offered by employer

	2Q 2012	2Q 2011	2Q 2010	2Q 2009	2Q 2008
Defined Benefit Plans (N=240)	66%	64%	64%	68%	67%
Life Insurance (N=704)	60%*	52%	58%	52%	53%
Disability Insurance (N=494)	58%	54%	56%	57%	52%
Defined Contribution Plans (N=665)	56%	55%	58%	53%	58%
Profit Sharing/Bonus (N=218)	55%	50%	57%	56%	55%
Health Insurance (N=977)	53%*	48%	49%	47%	53%
Stock Options (N=95)	52%	43%	52%	42%	53%
Vision Insurance (N=668)	51%	46%	N/A	N/A	N/A
Dental Insurance (N=841)	49%*	43%	49%	48%	50%

*Varies significantly (95% confidence level) from previous quarter

Benefit Importance

- The benefits of most importance to employees are health insurance (87%), defined contribution plan (71%) and dental insurance (69%).
- Several benefits' importance ratings increased significantly from last year, including defined contribution plan, dental insurance, defined benefit plan, vision insurance and life insurance.

"Using a scale from "1" to "10", where "1" means Not At All Important and "10" means Very Important, please indicate how important each benefit program is to you."

Percentages included in chart represent those rating importance an 8, 9 or 10.

Base: 1,135 employed U.S. adults in firms of 10-1,000 employees

	2Q 2012	2Q 2011	2Q 2010	2Q 2009	2Q 2008
Health Insurance	87%	87%	88%	86%	86%
Defined Contribution Plan	71%*	66%	69%	71%	71%
Dental Insurance	69%*	65%	67%	63%	67%
Defined Benefit Plan	57%*	51%	58%	48%	55%
Vision Insurance	53%*	44%	N/A	N/A	N/A
Life Insurance	52%*	44%	46%	47%	50%
Disability Insurance	52%	49%	51%	51%	52%
Profit Sharing/Bonus	40%	38%	35%	35%	43%
Stock Options	20%	18%	17%	12%	21%

*Varies significantly (95% confidence level) from previous quarter

Most Desired Benefits

- Employees (20%) most wish their employer would offer them a defined benefit plan, followed by flex time/flexible work schedule (14%) and profit sharing/bonus (12%).

“Which one employee benefit do you most wish that your company would offer you (excluding vacation and holidays)?”

Top 5 Benefits

Base: 1132 employees without certain benefits

	2Q 2012	2Q 2011	2Q 2010	2Q 2009	2Q 2008
Defined Benefit Plan	20%*	24%	21%	21%	24%
Flex Time/Flexible Work Schedule	14%	13%	12%	11%	14%
Profit Sharing/Bonus	12%	10%	15%	13%	15%
Defined Contribution Plan	6%	6%	5%	7%	6%
Tuition Reimbursement	6%	5%	6%	7%	5%

*Varies significantly (95% confidence level) from previous quarter

Benefits Needing Improvement

- The benefit most employees (38%, down from 43% in 2011) would like to see their employer improve upon is health insurance.
- Another 13% of employees would like to see their employer improve their defined contribution plan.

“Which one employee benefit (excluding vacation and holidays) do you most wish that your company would improve upon?”

Base: 1,127 employees without certain benefits

	2Q 2012	2Q 2011	2Q 2010	2Q 2009	2Q 2008
Health Insurance	38%*	43%	40%	44%	37%
Defined Contribution Plan	13%	14%	16%	14%	20%
Pension	4%	3%	5%	5%	3%
Vision Insurance	4%	4%	N/A	N/A	N/A
Profit Sharing/Bonus	4%	5%	4%	5%	4%

*Varies significantly (95% confidence level) from previous quarter

Methodology

This Principal Financial Well-Being IndexSM survey was conducted online within the United States by Harris Interactive on behalf of the Principal Financial Group® between April 25 and May 3, 2012 among 1,135 employees. This is one in a series of quarterly studies to identify and track changes in the workplace of small and mid-sized (growing) businesses. The first Principal Financial Well-Being IndexSM survey was conducted in the United States in 2000.

Employees consisted of adults 18+ who work at small and mid-sized (SMB) U.S. businesses (firm size 10-1,000 employees). Results were weighted as needed for age by gender, education, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the entire population of adult employees working for small to mid-sized U.S. businesses. Because the sample is based on those who agreed to be invited to participate in the Harris Interactive online research panel, no estimates of theoretical sampling error can be calculated.