

PRINCIPAL FINANCIAL GROUP INC

FORM 3

(Initial Statement of Beneficial Ownership)

Filed 5/25/2006 For Period Ending 5/15/2006

Address	711 HIGH STREET DES MOINES, Iowa 50392
Telephone	515-247-5111
CIK	0001126328
Industry	Insurance (Life)
Sector	Financial
Fiscal Year	12/31

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FORM 3

**UNITED STATES SECURITIES AND EXCHANGE
COMMISSION
Washington, D.C. 20549**

OMB APPROVAL
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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a)
of the Public Utility Holding Company Act of 1935 or Section 30(h) of the
Investment Company Act of 1940

1. Name and Address of Reporting Person *			2. Date of Event Requiring Statement (MM/DD/YYYY)		3. Issuer Name and Ticker or Trading Symbol		
Houston Daniel Joseph			5/15/2006		PRINCIPAL FINANCIAL GROUP INC [PFG]		
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer (Check all applicable)				
711 HIGH STREET			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Exec. VP, Ret. & Invst. Svcs. /				
(Street)			5. If Amendment, Date Original Filed (MM/DD/YYYY)		6. Individual or Joint/Group Filing (Check Applicable Line)		
DES MOINES, IA 50392					<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
(City)	(State)	(Zip)					

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	19656 (1)	D	
Common Stock	2295	I	By 401(k) Plan

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Phantom Stock Units	(2)	(2)	Common Stock	1064	(3)	D	
Employee Stock Option (Right to Buy)	4/29/2005	4/29/2012	Common Stock	13515	\$27.48	D	
Employee Stock Option (Right to Buy)	2/25/2006	2/25/2013	Common Stock	33915	\$27.57	D	
Employee Stock Option (Right to Buy)	(4)	2/24/2014	Common Stock	31110	\$36.30	D	

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Employee Stock Option (Right to Buy)	(5)	2/28/2015	Common Stock	44895	\$39.02	D	
Employee Stock Option (Right to Buy)	(6)	2/27/2016	Common Stock	20575	\$49.25	D	
Performance Units	(7)	(7)	Common Stock	16212	(3)	D	

Explanation of Responses:

- (1) Includes 2,847 shares acquired pursuant to the Principal Financial Group, Inc. Employee Stock Purchase Plan and 8,109 restricted stock units granted pursuant to the Principal Financial Group, Inc. Stock Incentive Plan.
- (2) The reported phantom stock units were acquired pursuant to the Principal Select Savings Excess Plan and may be transferred at any time into another investment alternative under the Plan. Interests under the Plan will be settled upon the reporting person's retirement or other termination of service.
- (3) Security converts to common stock on a one-for-one basis.
- (4) The option vests in three equal annual installments beginning February 24, 2005.
- (5) The option vests in three equal annual installments beginning February 28, 2006.
- (6) The option vests in three equal annual installments beginning February 27, 2007.
- (7) The performance units were acquired pursuant to the Principal Financial Group, Inc. Long-Term Performance Plan. Units under the Plan will be settled in cash or stock within a five-year period from the date of vesting.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Houston Daniel Joseph 711 HIGH STREET DES MOINES, IA 50392			Exec. VP, Ret. & Invst. Svcs.	

Signatures

Joyce N. Hoffman

5/25/2006

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

POWER OF ATTORNEY

Know all by these presents, that the undersigned hereby constitutes and appoints Michael H. Gersie, Karen E. Shaff and Joyce N. Hoffman, and each of them, individually, the undersigned's true and lawful attorney-in-fact to:

- (1) execute for and on behalf of the undersigned, in the undersigned's capacity as a beneficial owner of securities of Principal Financial Group, Inc. (the "Company's"), Schedules 13D (including amendments thereto) and Forms 3, 4 and 5 in accordance with Section 13(d) and Section 16(a), respectively, of the Securities Exchange Act of 1934 and the rules thereunder and any joint filing agreement pursuant to Rule 13d-1(k)(1)(iii);
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Schedule 13D (or amendment), Form 3, 4 or 5 or joint filing agreement and timely file such schedule or form with the United States Securities and Exchange Commission and any appropriate national securities exchange; and
- (3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of each such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by each such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as he may approve in his discretion.

The undersigned hereby grants to each such attorney-in-fact power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that each such attorney-in-fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. The undersigned acknowledges that each such attorney-in-fact is serving in such capacity at the request of the undersigned, is not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 13(d) or Section 16 of the Securities Exchange act of 1934.

The Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Schedules 13(d) or Forms 3, 4 and 5 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to each such attorney-in-fact.

From and after the date hereof, any Power of Attorney previously granted by the undersigned concerning the subject matter hereof is hereby revoked.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 22nd day of May, 2006.

/S/ DANIEL J. HOUSTON

Name: Daniel J. Houston