

FORM 4

[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

OMB APPROVAL
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**STATEMENT OF CHANGES IN 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(f) of the
Investment Company Act of 1940

| | | | | | | | | |
|---|---------|----------|---|--|--|---|--|--|
| 1. Name and Address of Reporting Person * | | | 2. Issuer Name and Ticker or Trading Symbol | | | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | |
| OKEEFE MARY A | | | PRINCIPAL FINANCIAL GROUP INC [PFG] | | | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Sr. VP & Chief Mktg. Off. | | |
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction (MM/DD/YYYY) | | | | | |
| | | | 12/17/2004 | | | | | |
| 711 HIGH STREET | | | 4. If Amendment, Date Original Filed (MM/DD/YYYY) | | | 6. Individual or Joint/Group Filing (Check Applicable Line) | | |
| (Street) | | | | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person | | |
| DES MOINES, IA 50392 | | | | | | | | |
| (City) (State) (Zip) | | | | | | | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|----------------|-----------------------------------|---------------------------|---|---|------------|---------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 12/17/2004 | | A | | 49 | A | \$0 (1) | 6291 (2) | D | |
| Common Stock | 12/20/2004 | | P | | 2 | A | \$38.28 | 6293 (2) | D | |
| Common Stock | | | | | | | | 2136 | I | By 401(k) Plan |
| Common Stock | | | | | | | | 211 | I | By Spouse |

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

| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|----------------|-----------------------------------|---------------------------|---|--|-----|---|-----------------|---|----------------------------|--|---|--|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Performance Units | (3) | 12/17/2004 | | A | | 196 | | (4) | (4) | Common Stock | 196 | (4) | 14415 | D | |
| Phantom Stock Units | (3) | 12/17/2004 | | A | | 70.6 | | (5) | (5) | Common Stock | 70.6 | \$39.86 | 3581.3 | D | |

Explanation of Responses:

- (1) Grant of restricted stock units.
- (2) Includes 1,679 shares acquired pursuant to the Principal Financial Group, Inc. Employee Stock Purchase Plan.
- (3) Security converts to common stock on a one-for-one basis.
- (4) The reported performance units were acquired pursuant to the Principal Financial Group Long-Term Performance Plan. Units under the Plan will be settled in cash or stock within a five-year period from date of vesting.

- (5) 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.

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| OKEEFE MARY A 711 HIGH STREET DES MOINES, IA 50392 | | | Sr. VP & Chief Mktg. Off. | |

Signatures

Joyce N. Hoffman, by Power of Attorney

12/21/2004

** 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 4(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.