

Houston Daniel Joseph
 Form 3
 May 25, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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

(Print or Type Responses)

1. Name and Address of Reporting Person * Â Houston Daniel Joseph (Last) (First) (Middle) 711 HIGH STREET (Street) DES MOINES,Â IAÂ 50392 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 05/15/2006	3. Issuer Name and Ticker or Trading Symbol PRINCIPAL FINANCIAL GROUP INC [PFG]	4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) Exec. VP, Ret. & Invst. Svcs.	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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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	19,656 ⁽¹⁾	D	Â
Common Stock	2,295	I	By 401(k) Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Phantom Stock Units	Â (2)	Â (2)	Common Stock	1,064	\$ (3)	D	Â
Employee Stock Option (Right to Buy)	04/29/2005	04/29/2012	Common Stock	13,515	\$ 27.48	D	Â
Employee Stock Option (Right to Buy)	02/25/2006	02/25/2013	Common Stock	33,915	\$ 27.57	D	Â
Employee Stock Option (Right to Buy)	Â (4)	02/24/2014	Common Stock	31,110	\$ 36.3	D	Â
Employee Stock Option (Right to Buy)	Â (5)	02/28/2015	Common Stock	44,895	\$ 39.02	D	Â
Employee Stock Option (Right to Buy)	Â (6)	02/27/2016	Common Stock	20,575	\$ 49.25	D	Â
Performance Units	Â (7)	Â (7)	Common Stock	16,212	\$ (3)	D	Â

Reporting Owners

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

Signatures

Joyce N. Hoffman 05/25/2006

__Signature of Date
Reporting Person

Explanation of Responses:

- * 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).
- (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.

The reported phantom stock units were acquired pursuant to the Principal Select Savings Excess Plan and may be transferred at any time
- (2) 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.

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- (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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.