



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
1 CENTRE STREET  
NEW YORK, N.Y. 10007-2341

**Scott M. Stringer**  
COMPTROLLER

November 20, 2017

Karen E. Shaff  
Executive Vice President, General Counsel and Secretary  
Principal Financial Group, Inc.  
711 High Street  
Des Moines, IA 50392-0300

Dear Ms. Shaff:

I write to you on behalf of the Comptroller of the City of New York, Scott M. Stringer. The Comptroller is the custodian and a trustee of the New York City Employees' Retirement System, the New York City Fire Pension Fund, The New York City Teachers' Retirement System, and the New York City Police Pension Fund, and custodian of the New York City Board of Education Retirement System (the "Systems"). The Systems' boards of trustees have authorized the Comptroller to inform you of their intention to present the enclosed proposal for the consideration and vote of stockholders at the Company's next annual meeting.

Therefore, we offer the enclosed proposal for the consideration and vote of shareholders at the Company's next annual meeting. It is submitted to you in accordance with Rule 14a-8 of the Securities Exchange Act of 1934, and I ask that it be included in the Company's proxy statement.

Letters from State Street Bank and Trust Company certifying the Systems' ownership, for over a year, of shares of Principal Financial Group, Inc. common stock are enclosed. Each System intends to continue to hold at least \$2,000 worth of these securities through the date of the Company's next annual meeting.

We would welcome the opportunity to discuss the proposal with you. Should the Board of Directors decide to endorse its provision as corporate policy, we will withdraw the proposal from consideration at the annual meeting.

Please feel free to contact me at (212) 669-2536 or [mbudha@comptroller.nyc.gov](mailto:mbudha@comptroller.nyc.gov) if you would like to discuss this matter.

Sincerely,

Millicent Budhai  
Director of Research & Sustainability  
Enclosures

## GENDER PAY EQUITY

RESOLVED: Shareholders request that Principal Financial Group, Inc. report annually to the board and shareholders, identifying whether there exists a gender pay gap among the company's employees, and if so, the measures being taken (policies, programs, goals etc.) to eliminate any such pay disparities and to facilitate an environment that promotes opportunities for equal advancement for women. The gender pay gap is defined as the difference between male and female earnings expressed as a percentage of male earnings according to the Organization for Economic Cooperation and Development. The report should be prepared by December 2018 at reasonable cost and omit proprietary information. We encourage the company to also address pay equity across race/ethnicity.

### Supporting Statement

Women earn about 80 cents for every dollar earned by their male peers. Differences in age, education, years of experience etc. may explain some of this difference. However, a study by Glassdoor (*Demystifying the Gender Pay Gap*) of over 500,000 self-reported salary data points on its website shows that even after adjusting for these factors, there is an unexplained, statistically significant pay gap of 5.4% (the adjusted gender pay gap) between men and women in the US.

The study also revealed that the healthcare and insurance industries both have an adjusted gender pay gap of 7.2% - the largest of 25 industries studied. This means that women earn about 93 cents for every dollar earned by men "*working in the same job title, same company, and with similar background and experience,*" (<https://research-content.glassdoor.com/app/uploads/sites/2/2016/03/Glassdoor-Gender-Pay-Gap-Study.pdf>). This gap is 33% higher than the average adjusted gender pay gap for the US.

The gap is real – salesforce.com twice commissioned analyses of its salaries and spent \$3 million each time correcting for statistically significant gender-based salary differences for six to 11 percent of its workforce.

Many studies conclude that diversity matters to company performance. Gender and ethnically diverse companies are likely to outperform by 15% and 35% respectively (<http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>). This raises concerns about whether companies are positioned to attract the best talent, if similar work is not being equally compensated.

The gender pay gap attracts attention: "state and local governments are strengthening their pay equity laws in ways that increase the risk of workplace lawsuits" (<https://www.natlawreview.com/article/white-house-equal-pay-pledge-obsolete>) - Massachusetts and New York City recently enacted pay equity laws barring employers from asking applicants about previous pay. UK employers will soon be required to disclose their pay gaps and Iceland is considering similar action.

Pay inequity and advancement opportunities are concerns for the insurance industry of which the company is a part. It is over 60% female but only 17% of board seats and 10% of executive positions are held by women

(<http://www.sju.edu/int/academics/hsb/special/armi/pdf/IICFPresentation2015SJUStudyMEA.pdf>).

Farmers Insurance recently settled a gender pay discrimination lawsuit filed by over 300 of its female attorneys and agreed to undertake reforms, including increasing more women in higher salary grades (<http://www.latimes.com/local/abcarian/la-me-abcarian-discrimination-settlement-20160624-snap-story.html>).

Peers – Prudential and AIG – now disclose.



STATE STREET

Derek A. Farrell  
Asst. Vice President, Client Services

State Street Bank and Trust Company  
Public Funds Services  
1200 Crown Colony Drive 5th Floor  
Quincy, MA, 02169  
Telephone: (617) 784-6378  
Facsimile: (617) 786-2211

[dfarrell@statestreet.com](mailto:dfarrell@statestreet.com)

November 20, 2017

**Re: New York City Fire Pension Fund**

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Fire Pension Fund, the below position from November 1, 2016 through today as noted below:

**Security:** PRINCIPAL FINANCIAL GROUP

**Cusip:** 74251V102

**Shares:** 12,828

Please don't hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Derek A. Farrell".

Derek A. Farrell  
Assistant Vice President



STATE STREET.

Derek A. Farrell  
Asst. Vice President, Client Services

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[dfarrell@statestreet.com](mailto:dfarrell@statestreet.com)

November 20, 2017

**Re: New York City Board of Education Retirement System**

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Board of Education Retirement System, the below position from November 1, 2016 through today as noted below:

**Security:** PRINCIPAL FINANCIAL GROUP

**Cusip:** 74251V102

**Shares:** 18,312

Please don't hesitate to contact me if you have any questions.

Sincerely,

Derek A. Farrell  
Assistant Vice President



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Asst. Vice President, Client Services

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November 20, 2017

**Re: New York City Employee's Retirement System**

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Employee's Retirement System, the below position from November 1, 2016 through today as noted below:

**Security:** PRINCIPAL FINANCIAL GROUP

**Cusip:** 74251V102

**Shares:** 173,023

Please don't hesitate to contact me if you have any questions.

Sincerely,

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Derek A. Farrell  
Assistant Vice President



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Asst. Vice President, Client Services

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November 20, 2017

**Re: New York City Police Pension Fund**

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Police Pension Fund, the below position from November 1, 2016 through today as noted below:

**Security:** PRINCIPAL FINANCIAL GROUP

**Cusip:** 74251V102

**Shares:** 47,016

Please don't hesitate to contact me if you have any questions.

Sincerely,

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Derek A. Farrell  
Assistant Vice President



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[dfarrell@statestreet.com](mailto:dfarrell@statestreet.com)

November 20, 2017

**Re: New York City Teachers' Retirement System**

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Teachers' Retirement System, the below position from November 1, 2016 through today as noted below:

**Security:** PRINCIPAL FINANCIAL GROUP

**Cusip:** 74251V102

**Shares:** 208,146

Please don't hesitate to contact me if you have any questions.

Sincerely,

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Derek A. Farrell  
Assistant Vice President