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according to new research from the Principal Financial Well-Being Index: American Workers. More than a third of workers (35 percent) describe their economic outlook as optimistic, up from just 21 percent in the third quarter of 2012, the last time workers were asked their views on the overall economy.

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April 3, 2013 — More American workers feel secure about the country's overall economic outlook, according to new research from the [Principal Financial Well-Being Index: American Workers](#). More than a third of workers (35 percent) describe their economic outlook as optimistic, up from just 21 percent in the third quarter of 2012, the last time workers were asked their views on the overall economy.

Despite an increasingly positive view of the economy, American workers remain cautious when assessing their expectations for the next year. While 40 percent of workers think the economy will improve throughout 2013, a majority of workers (60 percent) still believe the economy will stay the same or worsen. Additionally, 44 percent of employees are holding off from making long-term financial commitments, such as buying a home or a car, due to the current state of the economy.

The survey queries employees at small and mid-sized businesses with 10 to 1,000 workers, and is part of a series on the financial well-being of American workers released quarterly by the Principal Financial Group. The survey was conducted online by Harris Interactive in 1Q 2013 among 1,100 employees.

"When you look at the full scope of the data, it's clear people are feeling better about the financial environment the further we get from the financial crisis," said Luke Vandermillen, vice president of retirement and investor services at The Principal. "But the long-term effect of the crisis is workers' expectations remain muted; they are still uncertain that this is a sustainable recovery."

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“Regardless of whether you are optimistic or cautious about the economy, it is important to continue to focus on taking concrete steps towards building your financial future,” Vandermillen said. “It is encouraging to see these numbers improving. And of course we’re not surprised to see those working with a financial advisor are most prepared for their financial future.”

Additional findings include:

Financial health

- Nearly half of those surveyed (46 percent), up 5 percentage points from last quarter, rated themselves as financially healthy; and
- Gen Y respondents rated themselves the highest when it comes to financial health. Fifty-six percent of Gen Y employees rated themselves as financially healthy, compared to 41 percent of Gen X workers and 42 percent of Baby Boomers.

Tax-refund planning

- Of the 64 percent of workers who expect to receive a federal or state tax refund from their 2012 tax return, 46 percent plan to save or invest the refund, 38 percent will use it to pay down short-term debt, and 23 percent will pay down long-term debt.
- Fifteen percent will spend their refund on consumer products and seven percent will spend on a big ticket purchase.

“As Americans receive their tax refunds this year, it is encouraging to see employees are motivated to save or invest,” Vandermillen said. “The simple act of using your refund to pay off debt this year could save you hundreds of dollars in future interest charges, freeing up more money to put toward longer-term goals such as retirement.”

This Principal Financial Well-Being Index survey was conducted online within the

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