



Catered Too in the News

Economy forces changes in holiday office parties

By CAROLE FELDMAN (AP) – 11-03-09

At O'Keefe Communications, employees will celebrate the holidays this year as they did last, with a potluck in the office rather than dinner at a nice restaurant.

"We have a lot of people in our office that like to cook and swap recipes and it worked out nicely," said Catie O'Keefe, president of the Washington-based media and event production company. "It was a good change of pace. I think it was so well received that we'll do it again this year."

Last year, at the height of the recession, many companies scaled back or canceled holiday parties altogether. Others donated to charities that money that would have been spent on parties. This year, even with signs the economy may be improving, many businesses still are reluctant to throw big holiday blowouts, especially after rounds of layoffs and pay freezes.

"Companies' budgets are still very tight," said John Challenger, CEO of outplacement company Challenger, Gray & Christmas. "They're not convinced their business isn't going to turn south again."

Tracy Bloom Schwartz, owner of Creative Parties in Bethesda, Md., remains optimistic. Corporate holiday parties, she said, are "coming back," although maybe not as strongly as in the past. Overall spending on holiday parties is being cut by about 20 percent across the board, she said.

"Sometimes the favor is a little less," she said. "Sometimes they spend less money in every sector. If they had a four-course meal, now they're going to have a three-course meal."

When finances are tight, some say it's actually more important than ever to throw a holiday party.

"Now is the time to build community," said Greg Casella, president of the National Association of Catering Executives.

The holiday party sends a message, said Casella, who has a catering business in Silicon Valley. "It kind of says, 'We're OK, we're still going to be around.'"

Seventy percent of the association's members who responded to a survey said they don't expect to see a rebound in corporate holiday parties this year. And more than 86 percent said their corporate clients who are hosting holiday events are doing it on a smaller scale than last year.

PricewaterhouseCoopers is forgoing holiday parties and setting aside more than \$1.5 million instead for its offices to help local charities, according to Shannon Schuyler, the company's U.S. corporate responsibility leader. Some of the offices use the money to fund youth events, carnivals or holiday parties for children. Others make donations to food kitchens or shelters.

Employees also are volunteering at the events. "Our people want to engage with the people they're helping," Schuyler said.

Challenger says he expects other companies to take the same route: abandoning parties in favor of charitable giving or volunteer work.

"I think there's a sense that a lot of people have it worse than we do," he said.

For those who decide to go ahead with the party, there are ways to cut costs.

The open bar should be the first to go, Casella said. Companies might give employees coupons for one or two drinks, or have them buy the drinks outright. Limiting the selection to beer, wine and soft drinks also can save money.

Another cost-saving move is holding the celebration during the week, instead of on a Friday or Saturday night, or doing a lunch or hors d'oeuvres instead of dinner. Renting outside venues usually is more expensive on weekends. Some companies, like O'Keefe, moved the party to their own offices.

Casella said many businesses have been waiting to see which way the economy goes before planning parties. Booking last minute isn't a problem, he said, because there probably are many places still available.

"People are more cautious," Casella said. "They're not spending the money until they have the money to spend."

At O'Keefe Communications, the 15-member staff traditionally gave O'Keefe and her husband, Kevin, hats of one type or another. Last year, the couple turned the tables, giving each staff member a hat. "We always try to do some unique way of recognizing people," O'Keefe said.

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