

# Office party no longer so hearty

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## After a grim year, companies scaling back holiday feasts

By Katie Johnston Chase, Globe Staff | December 16, 2009

There hasn't been a lot to celebrate at the Boston branch of Deloitte & Touche LLP this year. Like many other companies, the accounting firm has had to reduce staff. So when it came time to plan the holiday party, the managers debated: Should they hold a party to boost morale, or drop it as an unnecessary expense?

In the end, they decided to have a modest celebration, as they did last year. It wasn't in the State Room, where it has been in better times, with steak and stunning 33d-floor views of the city. It was downstairs, in a suite at the John Hancock Tower, where 500 employees gathered after work on a recent Friday for grilled pizza, ribs, and mac and cheese. Beer and wine flowed, courtesy of the company, but spouses were not invited.

"When you're trying to keep your costs down, you'd much rather keep your head count stable than have a lavish holiday party," said managing partner William Bacic. But, "It's still very important to bring our people together."

As the economy continues to sputter, some companies are rethinking their traditional holiday parties - holding modest affairs at the office or canceling them altogether. Even organizations that have not had cutbacks are conscious of the image an extravagant party would project.

According to an annual survey done by the outplacement consultancy Challenger, Gray & Christmas, 62 percent of companies are planning holiday parties this year, down from 77 percent last year and 90 percent the year before. And of those businesses having parties, nearly a third are spending 10 to 20 percent less, on average, than they did a year ago.

"It's definitely not a good year to celebrate," said George Cloutier, chief executive of the management firm American Management Services and author of "Profits Aren't Everything, They're the Only Thing." "If we've had to cut back even a single employee . . . and now we're having a party, what's the logic in that?"

Even though business at the Boston law firm Weil, Gotshal & Manges LLP held steady this year, the firm scaled back its holiday party. The decision to host the gathering in the office conference room instead of at a restaurant wasn't about money, said managing partner Jim Westra; it was about being mindful of the hardships that clients and employees' families are going through.

"It just seemed to us inappropriate to have a more extravagant or indulgent party when there were a lot

of people having difficulty making ends meet,” he said.

But don't assume these low-budget affairs are any less merry. It turned out Weil Gotshal's informal office party, with a Dance Dance Revolution contest, was more fun, Westra said.

Caterers and party planners say the economy is shrinking the size and scope of companies' holiday gatherings, even as bookings increased from last year's dismal season. Gourmet Caterers of Roslindale said it is putting together more employee-only events in offices and homes than in the past, many of them on Wednesday or Thursday evenings instead of on weekend nights.

Parties at the State Room aren't as opulent as they have been in the past, said Sandra Rios of Longwood Events, which owns the State Room. She described shorter, earlier events - either without spouses or open to the whole family - with simpler flower arrangements, and cocktails and canapes instead of sit-down dinners.

The party planning business at Shaw's Supermarkets, on the other hand, has experienced double-digit year-over-year increases in mid-December sales in its LaCarte division, which prepares platters of shrimp, meatballs, and scallops wrapped in bacon.

“They're looking for value,” said spokeswoman Judy Chong.

And as companies grapple with their resources, some have waited until the last minute to book a party. Michael Nedeau of PBD Events, based in Braintree, said holiday parties are usually all booked by Thanksgiving, but this year the calls did not start coming in until after that holiday. Not only that, budgets were slashed in half, Nedeau said, with light shows and carnival themes falling by the wayside.

“It's just a whole different landscape,” said Nedeau, who is planning to throw a lower-cost holiday party for his own employees by sharing a venue with another company.

Besides holding less expensive affairs, some companies are choosing to be more charitable. Eileen Milano of the Charles Hotel said executives of a local software company were considering forgoing a party for the second year in a row until she sold them on the idea of focusing on its employees' charitable giving. Instead of a Caribbean theme with tiki huts and a rock band, this year's toned-down party featured an a cappella group from MIT, burlap tablecloths, and a slide show of workers riding in the Pan-Massachusetts Challenge bike-a-thon and an employee painting a house for Habitat for Humanity. “They were trying to get the message across to their employees: ‘Enjoy the evening, but we're still being responsible,’ ” Milano said.

Kronos Inc. took the charity idea a step further, making a donation to Junior Achievement Worldwide in lieu of holding its annual \$100,000 Winter Thaw at the New England Aquarium or the Peabody Essex Museum.

This is the second time the Chelmsford-based software company has canceled its annual holiday party, usually held in January or February. The 2009 Thaw was canceled because the company was in “look-down mode,” said chief executive Aron Ain. Things are looking up now, but Kronos management decided that, given all the people in need, a donation made more sense than a glitzy party.

“I just think it was the right thing to do this year,” Ain said.

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