

# CHALLENGER, GRAY & CHRISTMAS, INC.

DATE November 6, 2007

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2007 Challenger Holiday Party Survey

## **DESPITE WORRIES, 90% OF COMPANIES PLAN TO PARTY; 40% BOOST PARTY BUDGET**

**NEW YORK – Worries about the economy ignited by the housing slump apparently have not spread to corporate party-planning committees. A new survey released Tuesday found that 90 percent of companies still plan to hold holiday parties this year and nearly 40 percent of those are boosting the party budget!**

The tumultuous economy has not only failed to dampen spirits, it actually appears to have prompted more companies to plan events. The 90 percent planning parties this year represents an increase from 79 percent in 2006. The findings come from the annual holiday party survey conducted among 100 human resource executives by global outplacement consultancy Challenger, Gray & Christmas, Inc.

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“Companies may be throwing caution to the wind in anticipation of a slowdown in 2008. Or, it may be that the troubles in the housing and financial sectors have remained relatively isolated and outside of home building and mortgage lending, there is good reason to celebrate,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“Certainly, there are some industries that will not be holding lavish parties this year. In addition to the construction and real estate industries, the automotive sector continues to struggle. Meanwhile, Wall Street firms can undoubtedly afford to hold lavish parties, but it might be viewed as unseemly, considering they have suffered billions in losses tied to bad bets on high-risk mortgages – losses which have thus far resulted in thousands of job cuts.”

Respondents in the Challenger survey appeared undaunted by the current state of the economy. Among the 38 percent of companies increasing their party budgets, the average increase reported was 16 percent. Fifty percent of companies are allocating the same amount of money as last year. Even among the 12 percent planning to reduce party spending, the budget cuts averaged just five percent.

“Seven years after the peak of the dot.com bubble, we are still seeing the tech sector’s influence on holiday parties. The dot.com firms really set the bar high when it came to celebrating the end of a year’s hard work. After the collapse, companies that survived were unable or unwilling to put on the extraordinary events of the past,” said Challenger.

“We have seen a tech-sector resurgence over the last couple of years and a return to the types of infamous parties that set the standard back in the late 1990s,” he added.

“We would need to see a catastrophic downturn in the economy to halt party spending entirely. They have become part of the nationwide workplace culture. From the smallest firm to the largest global conglomerates, holiday parties have become the way to celebrate a good year, show employees how much their hard work is appreciated and attract new workers.”

One significant change in this year’s survey was that fewer companies are willing to provide free access to alcohol. Less than half (46 percent) of those surveyed said their companies planned to provide alcohol, down from 60 percent a year ago.

**Nearly three out of four employers (73 percent) plan to hold their parties off company premises and 69 percent are using some type of event planner or caterer.**

**“The fact that employers seem willing to spend the extra money on off-site parties and caterers and the fact that fewer are serving alcohol appear to be driven by concerns over corporate responsibility and liability as opposed to cost.**

**“Companies have probably learned that it is possible to offer a fun event without free-flowing alcohol. For employees, the absence of liquor could save them from over-indulging and possibly committing a career-ending party foul.**

“For the employees in the 46 percent of companies providing alcohol, it is critical to remember that this is still a work function and anything you say or do could affect your standing with your employer. Whether one’s standing in the company is positively or negatively affected is entirely up to the individual,” said Challenger.

“The holiday party is filled with pitfalls, but it also offers great opportunities, such as socializing with senior executives you might never interact with in the office. Make an effort to break away from your comfort zone and introduce yourself to those who might help your career,” advised Challenger.

**Challenger provided the following list of holiday party guidelines for workers to keep in mind when they attend this year’s functions.**

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## GUIDELINES FOR OFFICE HOLIDAY PARTYGOERS

**Arrive early:** This might be your best opportunity to talk with senior executives while things are still relatively quiet.

**Work the room:** It is easy to simply socialize with the members of your department, with whom you work with day in and day out. However, you gain if you use this occasion to meet people in other departments. You never know who can help your career.

**Do not over indulge:** Free alcohol can quickly lead to excessive drinking. Stay in control. You do not want to do anything embarrassing to you or your employer. Even if your alcohol-induced actions do not get you fired, they could hurt your chances for advancement.

**Be friendly, but not *too* friendly:** The company party is not the place to try out your latest pick-up lines. The risk of such behavior being seen as sexual harassment is high.

**Avoid talking business:** This is not the time to approach your boss with a new business idea. Save that for Monday morning. Instead, find out about his or her interests outside of the office. Find a connection on a personal level. That connection will help you on Monday when you bring up the new idea and it could help when it comes time for salary reviews.

**Attend other companies' parties:** Only 21 percent of company parties are employees only. If a friend invites you to his or her company party, you should go. It is an opportunity to expand your professional network, which is critical in this era of downsizing and job switching.

**Source: Challenger, Gray & Christmas, Inc.®**

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## 2006 HOLIDAY OFFICE PARTY SURVEY

### 1. Will your company hold a holiday party this year?

	2007	2006
Yes	90%	79%
We never have holiday parties.	10%	10%
We usually do, but not this year due to cost-cutting.	0	2%
Not this year for other reasons.	0	9%

### 2. Is your company budgeting more or less for a holiday party this year?

(Percentages are among those having parties.)

	2007	2006
Budgeting Same	50%	41%
Budgeting More	38%	32%
Budgeting Less	12%	6%

### 3. If you are having a party, can you share some of the following information, checking all those that apply? (Multiple answers are allowed)

	2007	2006
Using caterer, event planner or other outside services	69%	53%
Holding party in evening or weekend	58%	53%
Serving alcohol	46%	60%
Inviting family/spouse/partner to attend	54%	55%
Inviting employees only	46%	21%
Holding party during workday or near end of workday	42%	26%
Holding the party on company premises	27%	15%

Source: Challenger, Gray & Christmas, Inc.®