

Scrooge hits your holiday party

The mood is chilly around the punchbowl this year - that is if you still have a punch bowl.

By Aaron Smith, CNNMoney.com staff writer

NEW YORK (CNNMoney.com) -- The economic crisis has put a hold on holiday parties, as companies from Wall Street to Main Street cancel or cut back their seasonal festivities.

Financial services giants Morgan Stanley (MS, Fortune 500), Citigroup (C, Fortune 500) and American Express (AXP, Fortune 500) have all canceled their company-sponsored holiday parties for this year. Representatives for Citigroup and American Express blamed the economy. Morgan Stanley said it donated its party funds to charitable causes.

They are not alone. Company-sponsored holiday celebrations hit a 20-year low in 2008, according to an annual survey from the executive search firm Battalia Winston Amrop. In its survey of 108 companies, 81% said they will host parties this year, compared with 85% in 2007.

That's down from 83% in 2001, when the holidays followed the terrorist attacks of September 11th. It's also down from 82% during the recession of 1991.

This year, there's little to celebrate. The S&P 500 has lost one-third of its value, since Jan. 1, and the U.S. economy has shed 760,000 jobs. The government is bailing out the financial industry with a \$700 billion rescue plan, as more companies like Washington Mutual, Bear Stearns and Merrill Lynch fail or get bought out.

"You always hear about the very, very fancy parties at the hotels with ice sculptures and free-flowing liquor and wine," said Jo Bennet, a partner at Battalia Winston Amrop, noting that investment firms used the events to showcase their success. "It was sort of a swagger, but there's no swaggering going on this year."

"People spent a lot more money last year than this year, that's for sure," said Mario Stewart, founder and co-owner of EMRG Media, an event planning and marketing firm in New York City.

Stewart said that two top Wall Street firms, which he would not name, recently canceled their holiday events, and companies that are going forward with their parties have found various ways to cut costs.

"What a couple of the companies have done is to hold the parties, but to cut back, like to get a D.J. instead of a band," he said. "A lot of the companies are holding parties in January, because the rates in January are cheaper in December."

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