

Item 1.01 Entry Into a Material Definitive Agreement.

Effective January 18, 2006, The Dixie Group, Inc. amended the Employment Agreement with David E. Polly dated November 20, 2002 to extend the term of the agreement for an additional year, so that it now runs through November 19, 2007.

Exhibit No.

Description

10.1

Second Amendment, dated January 18, 2006, to Employment Agreement dated November 20, 2002 between The Dixie Group, Inc. and David E. Polley.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 18, 2006

THE DIXIE GROUP, INC.

By: /s/ Gary A. Harmon

Gary A. Harmon
Chief Financial Officer

Page 3