

Item 8.01**Other Events.**

On December 11, 2007, The Dixie Group, Inc. entered into a plan, pursuant to the Securities and Exchange Act of 1934, Rule 10b5-1, to facilitate repurchase of shares of its Common Stock under the repurchase plan and authorization announced and reported on August 8, 2007. The previously announced authorization permits the Company to repurchase up to \$10 million of the Company's Common Stock. Subject to the requirements of Rule 10b5-1, the Company may make repurchases of its Common Stock under the Plan at prices not to exceed \$9.25 per share, and in an aggregate amount limited by its previously announced authorization, reduced by purchases to date. The Plan expires by its terms on August 15, 2008. Purchases under the plan may not be made prior to January 2, 2008. As provided by the Rule, the Plan may be amended or terminated at any time. A copy of the agreement is attached as Exhibit 99.1 to this report and is incorporated herein by reference.

Item 9.01.**Financial Statements and Exhibits.****(c) Exhibits**

- (99.1) Agreement by and between The Dixie Group, Inc. and Raymond James & Associates, Inc., dated December 11, 2007.

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: December 11, 2007

THE DIXIE GROUP, INC.

By: /s/ Gary A. Harmon

Gary A. Harmon
Chief Financial Officer