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**State helps local furniture maker weather  
recession, get leg up on the competition**  
*Loan and work-sharing keeps workforce intact for better times*

WINCHENDON - A small Massachusetts furniture maker has used a suite of state services designed to help small businesses weather recessions and position themselves for growth, including a \$200,000 working capital loan from the Massachusetts Community Development Finance Corp (CDFC).

Saloom Furniture makes several lines of dining room furniture styles to match all tastes, and was doing well until October of 2008, when sales fell by nearly a third in just one month, according to co-owner Linda Saloom.

"We want to do everything we can do to keep manufacturing jobs here in Massachusetts," said CDFC President Andres Lopez. "Our loan to Saloom Furniture is a critical part of the effort to turn that intent into reality."

In addition to the CDFC loan, Saloom also used work-sharing, a federally sponsored program the state has enrolled in designed to help companies avoid layoffs. Administered by the Patrick-Murray Administration's Executive Office of Labor and Workforce Development, work-sharing allows employers to reduce their employees hours and it allows them to qualify for limited unemployment benefits from the state, which helps cushion the blow of reduced wages. Most recently, Saloom successfully applied for two grants, a state workforce training grant to continue employee training, and a federal marketing grant to help the company market a new line of high end dining furniture it unveiled last spring.

"Small businesses are the backbone of our economy and we want to ensure that companies like Saloom Furniture are thriving in Massachusetts," said Governor Deval Patrick. "Thanks to innovative state programs, Saloom is putting people to work and positioning themselves for long term success."

"The Saloom story is a great illustration of how the Commonwealth can marshal its resources to help small business," said Jennifer James Price, Undersecretary of Labor and Workforce Development. "Work-sharing got them through a really tough period with their workforce intact, and the training grant is keeping workers current in their field."

Started in Lowell by Linda and Peter Saloom in 1981, the company and its 64 employees now operate out of an 80,000 square-foot factory in Winchendon. Saloom also has a warehouse in Gardner. It is one of the few furniture makers left in the area, which once boasted many similar businesses. The company sells to retailers all over the country. Locally its customers include

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regional chains Jordan's Furniture and Circle Furniture, as well as Rotman's Furniture in Worcester, and LaChance and Rome Furniture, both in Gardner.

Linda Saloom said that with the assistance the company received from the state, the company is now poised to take advantage of what she sees as an improving economy.

"Our number one priority was to save our employees because we spent years training them and we felt a responsibility to 64 families," Saloom said, voicing her belief that the company has now turned the corner towards greater profitability. "Every month our sales are getting better, we have a vision for the long term, and we have everyone here to make it happen."

She said the CDFC loan has given the company the working capital it needs to keep operating at a competitive level while all of these changes were taking place. Saloom needed that capital because its traditional line of credit reduced as receipts fell during the worst of the economic downturn.

In the midst of all this, co-owner Peter Saloom, who designs the company's furniture lines, hit upon the idea of designing a high end line of dining room furniture that might provide a greater profit margin than existing lines. Last April, the company rolled out its Gardner Contemporary line to enter that market and the Salooms never looked back.

During the period from last May to November, the company weaned itself off of work-sharing and is now fully compensating all of its employees. Linda Saloom said that with a new line of furniture, and with its workforce intact, the company is ready to move forward with the strengthening economy.

Created by the state Legislature in 1975, CDFC ([www.mcdfc.com](http://www.mcdfc.com)) is a quasi-public corporation that assists small businesses access capital in markets that may be underserved by traditional lenders. CDFC provides small businesses with lines of credit, term loans and surety bond financing support. To date, CDFC has invested more than \$83 million in the Massachusetts economy.

Most recently, a capital facilities bond bill, passed by the Legislature and signed by Governor Patrick in July of 2008, included a \$10 million bond authorization to re-capitalize CDFC. The Patrick-Murray Administration has so far authorized \$4 million from the bond to help CDFC continue to grow its lending operation, and an additional \$2 million for a surety bond guarantee program to help small businesses compete for federal stimulus money construction projects.

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