

115 YEARS OF

Advocacy & Action



2020 YEAR IN REVIEW

Timeline

"In 1905, 14 forthright Southern gentlemen banded together at Gainsboro, N.C., to unite their common efforts..."

National Furniture Review, April 1961



1905

At a meeting in Gainsboro, North Carolina, in 1905, 14 Southern furniture executives meet and form the **North Carolina Case Workers Association**. Chief among their common interests is securing more favorable railroad rates for Southern furniture manufacturers to ship their products to Pacific Coast markets.



1910s

NCCWA grows to include manufacturers outside North Carolina and changes its name in 1911 to the **Southern Furniture Manufacturers Association**. In 1912, the group hires James T. Ryan as its vice president and wins its first regulatory battle, successfully negotiating with the Interstate Commerce Commission to achieve West Coast freight rates equal to those from competing northern shipping points. In 1919, association leaders form a corporation to build a Southern Furniture Exposition Building in High Point.



1920s

SFMA participates in a 1920 meeting of the National Council of Furniture Associations in Washington, D.C., where some 500 manufacturers gather to establish market policy and take a firm stand against unions. The Southern Furniture Exposition Building, completed in 19 months at a cost of about \$1 million, opens for its first show in June 1921. 700 buyers from 100 U.S. cities attend. In 1928, the **National Association of Furniture Manufacturers** is formed in Chicago, with member companies in Michigan, Indiana, Ohio and Pennsylvania.



1930s

SFMA establishes its Production and Cost Division in 1934 to help plants reduce costs and improve manufacturing methods and quality. Among the first industries to feel the worst effects of the Depression, the American furniture industry is among the first to see economic recovery. From 1931 to 1935, production increases 38%. By 1937, SFMA has 165 member companies.



1940s

Franklin Roosevelt establishes the War Production Board in 1942 to allocate resources for military use and to persuade businesses to convert to military production. SFMA representation in Washington succeeds in keeping furniture plants open by converting operations to make bunk beds, ammunition boxes and other war effort supplies. In 1947, SFMA's Education Committee helps North Carolina State University establish a furniture engineering curriculum.



1950s

A rising tide of prosperity ushers in a vast new American middle class and makes the 50s the "Golden Decade" of the furniture industry. SFMA's Sales and Marketing Division is established in 1957 to share expertise and information on building sales. In 1958, Henry Foscue leads a group of manufacturers who establish the Furniture Manufacturing and Management curriculum at North Carolina State University, and the Furniture Foundation is chartered in 1959 to support it. Meanwhile, the NAFM establishes a **Summer and Casual Furniture Manufacturers Association** in 1958 and adds a supplier division in 1964.



1960s

James T. Ryan retires in 1965. SFMA establishes the James T. Ryan Award, now known as the Distinguished Service Award, in his honor. Robert A. Spelman takes the helm as Vice President. SFMA founds its Traffic and Transportation Division in 1965, and an Industrial Relations Division in 1966. The 1966 Annual Meeting aboard a cruise ship is attended by 300 members and guests. The same year, NAFM launches an International Woodworking Machinery and Furniture Supply Fair in Louisville.



1970s

In 1970, with dense fog cloaking the nation's industrial centers, the Clean Air Act is passed and President Nixon forms the Environmental Protection Agency. At SFMA, Robert Spelman resigns in 1972, taking a job at the "rival" NAFM. P. Douglas Kerr becomes SFMA's third executive director. A Finance Division is founded the same year and begins producing a monthly Survey of Current Business. In 1975, California passes a fire safety law requiring upholstered furniture to pass a stringent open flame test. The Upholstered Furniture Action Council is formed in 1977.



1980s

The decade begins with Doug Kerr's resignation. Douglas L. Brackett is named executive director in 1981, the same year that NAFM and SFMA open a joint Washington office. The move paves the way for a merger in 1984 to form the **American Furniture Manufacturers Association**. In 1985, AFMA is a joint sponsor of the first International Woodworking & Upholstery Supply Fair in Charlotte. The Association is a key participant in the 1989 U.S./Canada bilateral free trade discussions, influencing over \$1 billion in furniture traded between the countries.



1990s

The Supplier Division holds its first golf tournament in 1990. The California Air Resources Board lists formaldehyde as a toxic air contaminant, and AFMA is at the table as a new regulation emerges. In 1996, the Board appoints a Blue Ribbon Committee to develop a plan to spur more furniture sales. The committee's recommendation to increase dues to fund a \$1 million-a-year PR program is approved. At the end of 1998, Tulane University begins a six-year study of the effects of wood dust on industry workers. In 1999, the AFMA Media Center opens to host journalists covering the High Point Market.



2000s

AHFA designs an industry-specific environmental management program called EFEC that launches in 2000. A mandatory bunk bed standard takes effect, and ASTM finalizes F2057, a voluntary stability standard for clothing storage furniture. The first four Supplier Division scholarships are awarded. Doug Brackett retires after 35 years. Andy Counts becomes the association's fifth executive director in 2001. In 2004, AHFA changes its name to the **American Home Furnishings Alliance** and expands the membership to embrace importers. SCFMA follows suit in 2008, changing its name to the **International Casual Furnishings Association**, and the Casual Furniture Retailers Association integrates its membership and operations into ICFA the same year. In 2005, results of the Tulane study show occupational wood dust does not adversely impact lung health when dust levels are kept below a specific threshold.



2010s

As the decade begins, President Obama signs Title VI of the Toxic Substances Control Act – a federal standard for formaldehyde emissions from composite wood products. It will take eight years of lawsuits, delays and roadblocks before it takes effect. California adds TDCPP and TCEP – two common flame retardants used to meet the open flame test in the state's flammability regulation – to its Proposition 65 list of toxic chemicals. Within a year, more than 100 warning violation notices are served to upholstered furniture manufacturers. AHFA spends the next six years advocating for the industry in California, eventually securing a furniture-specific Prop 65 warning label in 2018. In 2014, AHFA's suppliers rebrand as Solution Partners. In 2015, more than a decade of AHFA advocacy succeeds in shielding small, solid fuel, wood-fired boilers from costly emissions controls.



2020

The decade begins with a global pandemic that brings the home furnishings industry – and nearly all other U.S. industries – to a grinding halt, along with a presidential election that brings unprecedented rancor to American politics. But AHFA's 115th year ends with a legislative victory that is among the organization's most significant accomplishments in a century of advocacy: a federal upholstered furniture flammability standard based on a smolder test.

2020 Year in Review

One hundred fifteen years may seem an odd time to reflect on the timeline illustrated on the first two pages of this report. One hundred twenty-five years perhaps. One hundred fifty, of course. But 115?

Yet, there is no question that the year 2020 has earned a unique spot in world history, in U.S. history, within our industry and, indeed, within our individual communities and families. The COVID-19 pandemic severely disrupted worldwide supply chains, forced an unprecedented shutdown of American business and industry, furloughed tens of thousands of industry workers, interrupted our industry's cycle of product introductions and sales, and forced some of the toughest business decisions AHFA's member companies have ever made.

In another year, many aspects of business may be back to "normal." Some things, however, are forever changed, assuring 2020 a permanent mark on the industry timeline.

This seminal year shined a spotlight on many essential resources in our industry, not the least of which was our 115-year-old alliance of home furnishings executives. From its first regulatory victory on West Coast freight rates in 1912, through two World Wars and the Great Depression, through decades of protracted debate over pollution controls, flammability and stability, AHFA and its predecessor organizations have united industry leaders on common interests and leveraged that collective power to gain influence on Capitol Hill. With your continued support, the work moves forward into another new decade.





This oldest image from the AHFA archives shows the 49 members of the Board of Directors who gathered in February 1923 for an Annual Meeting at the Kenilworth Inn in Asheville, N.C. Topics of the day likely included the rising success of the Southern Furniture Exposition Building, which had opened in 1921 and staged three shows in 1922 to accommodate its growing national attendance, and the post-war prosperity fueling growth in North Carolina's furniture factories.

Southern Furniture Manufacturers Association at Kenilworth Inn Asheville

*AHFA unites industry under
"Safe=Essential" banner*

Redefined Advocacy

**ALLIANCE
4SAFETY** Protecting
health.
Preserving
jobs.

To protect the health of home furnishings industry workers and to preserve their jobs for the future, AHFA spearheaded the **Alliance4Safety** in 2020. The initiative was designed to reinforce a unified industry message that "Safe=Essential" for home furnishings businesses.

Work on the initiative began in April, after the Department of Homeland Security issued two memorandums designed to provide guidance to state and local governments in defining an "essential" business. But home furnishings were not clearly identified nor acknowledged in these communications, and the result brought many home furnishings businesses to the brink of collapse.

"As a result of disparate and sometimes uncoordinated local government actions, an inadvertent monopoly has been created by acknowledging certain businesses as essential while ignoring other businesses that also play an essential role in dealing with the COVID-19 pandemic," the Alliance wrote in a letter to Vice President Mike Pence, who was serving as head of the White House Coronavirus Task Force.

Co-signed by AHFA CEO Andy Counts, Home Furnishings Association CEO Sharron Bradley, and IHFRA Executive Director Ray Allegrezza, the letter urged the Task Force to clearly acknowledge the essential nature of home furnishings retailers along with the entire home furnishings supply chain.

In July, AHFA canvassed companies in all segments of the industry from all regions of the country to find out how they operated during the nationwide shutdown in April and May, as well as what measures they took to get their companies back up and running. This information was combined with recommendations from the Centers for Disease Control, Small Business Administration, local departments of health and furniture industry consultants to develop a comprehensive guide for keeping industry workers:

- Safe at the factory door;
- Safe on the factory floor;
- Safe in the store; and,
- Safe at the customer's home.

The guide was offered to the entire industry under a new **Alliance4Safety** banner. A website was introduced in August to assist businesses in developing and implementing an

As the COVID-19 pandemic unfolded in the first quarter of 2020, AHFA marshalled its resources and launched an advocacy effort unlike any other in its 115-year history.

On March 19, California became the first state to order all residents to stay at home except to go to an essential job or shop for essential needs. By April 1, an estimated 316 million Americans in 42 states had been urged or ordered to stay at home ... and the ambiguous word "essential" became the difference between businesses and industries experiencing explosive gains or crushing losses.

Big box stores and online retailers remained open to sell "essential" items but also met the rapidly rising demand for furnishings to equip Americans now working and schooling children at home. Meanwhile furniture stores were shuttered. Domestic factories furloughed workers. Importers watched supply chains constrict.

*On behalf of the nearly 1.5 million home furnishings-related employees nationwide, AHFA began an expanded advocacy effort to unite the industry behind an initiative to define our operations as safe and our products as essential. It would be called an **Alliance4Safety**.*



Following safety protocols at the American Leather factory in Dallas.

①
SAFE
At The Factory Door



②
SAFE
On The Factory Floor



③
SAFE
In The Store



④
SAFE
At Home



operations plan during a nationwide or regional health crisis. Importantly, the site also provides a centralized resource companies can use to convey the “Safe=Essential” message to relevant government, business and health organizations.

“The most important aspect of operating a home furnishings business during a health crisis is operating safely – not meeting an arbitrary definition of essential,” explained Counts as the program was unveiled. “Whether you are an industry supplier, manufacturer, importer, sales representative, retailer, designer or specialized furniture carrier, your business is essential to those whose livelihoods depend on it.”

In the first months of the COVID-19 pandemic, the home furnishings industry learned useful and effective ways to manage the spread of infection. Companies adapted new ways to monitor employees’ health. They adapted to executives working from home. They developed strategies to socially distance production workers in factories



and to serve retail customers while minimizing physical interactions.

The industry also learned that when containing a virus results in community shutdown, the cost of that shutdown – measured in lost jobs, lost income, lost tax revenue and massive expenditures at all levels of government – is crippling.



From the beginning of the crisis, AHFA stressed to government leaders at all levels that home furnishings are essential to the comfort and well-being of Americans spending more time in their homes. At the same time,

the Alliance4Safety website effectively conveyed a broader message: Whether a company manufactures, imports, sells or delivers home furnishings, it can operate safely while providing good jobs and supporting communities all across the country.

The initiative was backed by the Home Furnishings Association, which represents more than 1,200 retail companies operating 7,000 storefronts; the International Home Furnishings Representatives Association, representing 2,000 independent sales representatives across the United States and Canada; and the International Sleep Products Association.

In September AHFA was contacted by the National Governors Association, which represents the leaders of 55 states and U.S. territories.

NGA asked AHFA to share details of the Alliance4Safety initiative as a model for other industries looking to establish uniform protocols for operating during a pandemic.

AHFA responded with a mailing to the COVID response team leaders in all 50 states in November, just as COVID cases were surging again and policy makers were reluctantly debating whether additional shutdowns might be necessary to control the spread of the virus. In addition to highlighting the Safe=Essential message, the mailing included two custom facemasks produced within the industry.

Alliance4Safety tools remain available to members on AHFA’s website, including a sample press release for local media outlets, downloadable graphics suitable for store or factory signage and Alliance4Safety logos. AHFA’s swift and comprehensive response during the pandemic helped ensure our industry is prepared for future health crises.





In June American Leather hosted U.S. Secretary of Labor Eugene Scalia in its Dallas plant, where they spotlighted health and safety protocols implemented to protect workers during the COVID-19 pandemic.

Regulatory Advocacy

From AHFA's inception in 1905 through today, regulatory and legislative advocacy on behalf of the industry has been central to the association's mission.

KEY LEGISLATIVE VICTORY IN 2020

Tucked into more than 3,000 pages of legislation signed by President Trump on December 27 was an unexpected surprise: Senator Roger Wicker (R-MS) had renamed the Safer Occupancy Furniture Flammability Act and added it to the \$1.4 trillion COVID relief bill. Now called the **COVID-19 Regulatory Relief and Work From Home Safety Act**, the legislation (originally drafted by AHFA) requires the U.S. Consumer Product Safety Commission (CPSC) to adopt California's Technical Bulletin 117-2013 as a federal flammability standard. Beginning June 25, 2021, all interior residential upholstered furniture sold in the United States finally is subject to the same flammability testing requirements.

AHFA first petitioned CPSC to adopt TB 117-2013 as a national standard in 2015, after California changed its testing protocol from an open-flame test to a smolder test. When CPSC's 2016 briefing package on upholstered furniture flammability failed to move in the same direction, AHFA developed SOFFA to force the issue. The legislation advanced in the House in 2017 and 2019 but remained stalled in the Senate. AHFA continued its advocacy throughout 2020.

By adopting the TB 117-2013 smolder test, the 2020 legislation mandates the best test methods and construction standards available today without requiring the use of added flame retardant

chemicals. By January 2021, AHFA already was at work with both federal and California officials to provide new labeling guidance and to ensure a smooth implementation of the new regulation.

FURNITURE STABILITY

2020 began with what attorneys claimed was the largest child wrongful death recovery in U.S. history – \$46 million to the family of a two-year-old California boy who was fatally injured when an IKEA three-drawer Malm dresser tipped over on him in 2017. The January settlement included a \$1 million donation to Kids in Danger, *Consumer Reports* and the Consumer Federation of America – all of which spent the year lobbying for passage of STURDY, the **Stop Tip-overs of Unstable Risky Dressers on Youth Act**.

First proposed in 2016, STURDY would require the CPSC to adopt a mandatory stability standard for clothing storage furniture to replace the voluntary ASTM International F2057 standard. It mandates new stability tests to account for the “dynamic force” of a child’s pull while climbing or playing on furniture and to account for the impact on stability when a unit is on carpet, has loaded drawers or multiple drawers open at the same time. STURDY passed the House in 2019 but made no further progress in 2020.

Meanwhile, AHFA opened the year by launching its 20+20 Project, an initiative to promote better product safety information on both manufacturer and retailer websites. Twenty AHFA manufacturers and two AHFA retail companies pledged to participate – but AHFA Solution Partners member Furniture Dealer.net also participated, making tip-over prevention information available to its entire network of 100-plus retail websites.

In February, AHFA issued guidance for members to help them comply with a new warning label requirement for clothing storage units designed to hold a television. The media chest label, adopted by ASTM in 2019, generated immediate confusion thanks to a “fill in the blank” provision designed to allow manufacturers to customize the warning statement. AHFA’s “Label Guidance for Media Chests” was added to the resources available exclusively to members in the Furniture Stability Compliance Toolbox on the AHFA website.

Also in February, AHFA submitted formal comments on STURDY to a Senate subcommittee. The alliance urged a two-pronged approach to a mandatory stability standard: Adopt the existing ASTM F2057 as a standard for general clothing storage furniture and apply the more stringent testing requirements outlined in STURDY to “children’s products” as defined in the Consumer Product Safety Act. (This recommendation was later submitted to a House subcommittee, as well.)

In June, a Pennsylvania federal judge dismissed a wrongful death lawsuit against AHFA that alleged the Alliance shared responsibility for a Florida toddler's death in a furniture tip-over accident. The lawsuit, filed in May 2019, suggested AHFA and ASTM International both were liable for the child's death because of their roles in developing and promoting a voluntary stability standard for clothing storage furniture. Although the lawsuit was unsuccessful, the forces behind it continued efforts to silence AHFA and to eliminate the industry's voice in the standard development process.

The COVID pandemic pushed AHFA to replace its annual Regulatory Summit, originally scheduled for October, with a series of webinars. These included sessions on navigating recalls, promoting product safety and establishing an effective compliance program. The webinars began in July and continued through December.

In September, AHFA participated in Baby Safety Month, developing a series of info graphics designed to help member companies promote tip-over prevention messages on their social media platforms. The campaign urges parents to use tip restraints "even if you think it won't tip; even if you think they won't climb." Also in September, CPSC released results of a nationwide survey of over 700 parents and caregivers. Although it found 80 percent of the respondents were aware of the dangers of unanchored furniture, a third said they had never anchored any of the furniture in their home. These results further fueled AHFA's efforts to increase product safety information on member company websites.

In all, Vice President of Regulatory Affairs Bill Perdue participated in 38 formal meetings on furniture stability in 2020. AHFA ended the year urging members who market bedroom furniture to commit to adding compliance details to product descriptions on their websites; to become a "safety advocate" by linking to CPSC's "Anchor It" website; and to serve on ASTM's Furniture Safety Subcommittee.



AHFA produced a series of social media graphics to help member companies promote product safety during Baby Safety Month in September.

FORMALDEHYDE

AHFA met with U.S. Environmental Protection Agency (EPA) officials in February to clarify how certain provisions in the Toxic Substances Control Act (TSCA) "fees rule" would impact home furnishings manufacturers and importers. Amendments to TSCA gave EPA authority to collect fees from product importers and chemical manufacturers to help defray costs associated with risk evaluations for 20 chemicals, including formaldehyde, that were identified by EPA as "high priority." The agency estimated the price tag on a formaldehyde risk evaluation at \$1.35 million, and the fees rule spelled out how that cost was to be allocated. AHFA kept the membership advised as EPA revised the rule in April to

reduce the financial burden on business and industry. In the end, no AHFA members were on the fees-sharing list.

However, in September, EPA finally released the full scope of the risk evaluation it intends to conduct for formaldehyde. AHFA submitted detailed comments during a public workshop and achieved a favorable finding for three types of composite wood products – hardwood plywood, particleboard and medium-density fiberboard – plus laminated products. These types of panels will not be included in the scope of the formaldehyde risk evaluation in their panel form, nor as fabricated into component parts or finished goods.

However, EPA officials will include other engineered, pressed or composite wood products that are not already regulated by TSCA Title VI. An unfavorable finding for these products in the risk evaluation could result in a lower emission limit or even a formaldehyde prohibition. Therefore, AHFA's advocacy on this issue continues into 2021 as the Alliance works with agency staff to provide the technical data necessary to warrant the favorable ruling the industry needs.

CHEMICAL REGULATION

Throughout 2020, AHFA closely monitored chemical regulatory activities involving PFAS (per- and polyfluorinated alkyl substances), a class of more than 5,000 chemicals used in everything from cookware and food packaging to "performance" fabrics. In February, California's Department of Toxic Substances Control announced it would include carpets and rugs containing PFAS in its priority product work plan. AHFA attended a July public hearing on the topic, since upholstered household furnishings were also on the list of potential priority products. By year's end, at least 27 states were slated to consider new policies to regulate toxic chemicals in 2021, with efforts targeting PFAS the most prevalent. Seven states were considering policies to restrict specific flame retardants in 2021.

Action

This month-by-month report spotlights AHFA's actions large and small to advance member company interests throughout 2020, despite the unique challenges presented by COVID-19.

JANUARY

January 9: World Health Organization announces mysterious coronavirus-related pneumonia in Wuhan, China. Less than two weeks later, CDC confirms first U.S. case of COVID-19.

John E. "Jeb" Bassett, COO and senior vice president of Bassett Furniture Industries, begins his tenure as Chair of AHFA's Board of Directors.



AHFA launches a new website with enhanced features, including mobile-friendly formatting, easy access to the most-requested regulatory compliance tools, convenient event registration and improved members-only navigation.

A year-long focus on improving safety information on member company websites is launched. Called "The 20+20 Project," its goal is easier consumer access to tip-over prevention guidance on 20 leading retail + 20 leading manufacturer websites.



FEBRUARY

February 3: Trump Administration declares public health emergency three days after WHO issues global health emergency, with 200 COVID-19 deaths and 9,800 cases worldwide.



An AHFA survey finds members optimistic for the year ahead. Forty-six percent say their outlook is "very good" or "excellent." Government regulation and keeping a quality workforce are top concerns for the year.

AHFA offers new guidance for media chest warning labels in response to a 2019 stability standard update.

EPA officials meet with AHFA staff to clarify provisions within the Toxic Substances Control Act "fees rule" that impact home furnishings manufacturers and importers.

Guidance is passed along to the membership via Member Bulletins.

More than 260 ICFA members gather at the Kona Kai Resort & Spa in San Diego for the fourth annual ICFA Educational Conference, "Charting Tomorrow Together." With keynote presentations, networking, golf, a huge vendor showcase and social events, it will turn out to be the only in-person event of 2020.



ICFA's Board of Directors votes to relocate its trade shows to AmericasMart in Atlanta beginning in 2023, ending nearly 50 years of shows at theMART in Chicago.

MARCH

March 13: President Trump declares a national emergency, unlocking billions of dollars in federal aid to fight COVID-19. The U.S. reports its 100th death; California issues first stay-at-home order; Trump signs the CARES Act on March 27.



A member survey the first week of March shows 52% of AHFA companies already have experienced supply chain delays or disruptions due to the global COVID-19 pandemic; 60% of members expect the crisis to have a negative financial impact on their business. Dozens of AHFA and ICFA companies join the nationwide effort to produce medical gowns and facemasks for front-line healthcare workers.

ICFA's annual consumer survey finds 56% of Americans hope to improve their outdoor living space

in 2020, and this is *before* states begin issuing stay-at-home orders.



ICFA announces it will hold its July Preview Show and September Casual Market as planned, although organizers pledge to monitor the changing COVID-19 landscape as those dates draw closer.

The first of four ICFA member surveys conducted by Industry Insights is released documenting the impact of the pandemic on outdoor furnishings businesses. Additional surveys are conducted in April, May and June.



APRIL

April 1: 316 million Americans in 42 states - 95% of the U.S. population, according to *The New York Times* - are under stay-at-home orders. 47% of workers in the U.S. upholstered furniture industry are furloughed. Sales in brick-and-mortar furniture stores plummet 66% for the month.

AHFA announces it will waive second quarter dues for all member companies as business and industry closures are announced from coast to coast. As a cost-cutting measure, the monthly *Furniture Executive* newsletter is emailed rather than printed for the first time in 36 years. A COVID-19 resource page is added to the AHFA and ICFA websites.

The 2020 Solution Partners Scholarship recipients are announced. Workers at 12 different AHFA member companies have a child receiving a \$2,500 award for their 2020-21 school year.



AHFA organizes an effort to petition Vice President Mike Pence, head of the White House Coronavirus Task Force, to consider adding home furnishings to the products deemed "essential" for Americans under stay-at-home orders. Members are invited to share the letter with individual state officials.

High Point Market Authority announces it will cancel the postponed spring market.

AHFA keeps member companies in the loop as EPA revises its plans to seek TSCA fee-sharing from companies producing or importing products containing formaldehyde and other "high priority" chemicals.



MAY

May 12: Dr. Anthony Fauci testifies before the Senate that the U.S. death toll of 80,000 is likely underestimated.



AHFA's Board of Directors holds a virtual spring meeting that includes online visits with Sen. Tim Kaine (D-VA), Sen. Mark Warner (D-VA), Sen. Roger Wicker (R-MS) and Sen. Thom Tillis (R-NC). Acting CPSC Chair Robert Adler also addresses the group. The Board asks AHFA staff to develop a "best practices" document showing that the ability to operate safely should be the litmus test for businesses to remain open during a health pandemic.

A federal judge dismisses a wrongful death lawsuit filed against AHFA alleging that the Alliance shared



responsibility for a Florida toddler's death in a 2017 IKEA dresser tip-over accident.

ICFA unveils a new "#wereallinthisogether" message on its website, announces it will add an "Unsung Hero Award" to its roster of honors presented during the Casual Market Awards Gala, and cancels its July Preview Show due to ongoing pandemic concerns.

AHFA reports results of a consumer poll exploring the impact of work-from-home orders on Americans and their living spaces. The report, extolling the "essential" nature of functional furnishings, is picked up by 117 publications, broadcast outlets and online news sources and reaches an estimated 70 million people.



JUNE

June 10: Number of confirmed COVID-19 cases in U.S. hits 2 million. White House Coronavirus Task Force holds first briefing in two months on June 26 to discuss rising cases in southern states.



ICFA honors Gary McCray with its Lifetime Achievement Award. Actual presentation of the award, however, will be postponed until 2021.

2020 REGULATORY SERIES

Speak up. Connect. Be heard.

AHFA announces the annual Regulatory Summit will be replaced by an extended webinar series beginning in July and continuing through December. The free webinars are open to members only.

The Specialized Furniture Carriers postpone the June educational conference in Wilmington, N.C., to June 2021 due to continued COVID restrictions on meetings and events.



JULY

July 7: U.S. surpasses 3 million COVID-19 infections; begins withdrawal from WHO. Early data shows vaccines from Pfizer, Moderna and AstraZeneca are promising; Moderna receives \$472M from Trump Administration to expand testing.

The 2020 Regulatory Webinar Series launches with discussions of California's Proposition 65 enforcement and a review of the EPA's formaldehyde "scoping" document.



The Solution Partners Board votes to cancel the 2020 Education Golf Tournament in response to continued COVID-19 concerns and restrictions.

ICFA's Board of Directors votes to cancel the September Casual Market in Chicago. Finalists are named in the annual Apollo Awards for retail excellence, and Doug Sanicola, of Outdoor Elegance in La Verne, Calif., is named acting chair to complete the term of Joe Pucci of Great Gatherings.

Sales Representative Tom Nolan creates the winning design for the 2021 ICFA Sales Rep membership pins.



AHFA keeps member companies in the loop as EPA revises its plans to seek TSCA fee-sharing from companies producing or importing products containing formaldehyde and other "high priority" chemicals.

Having compiled the industry's best practices and protocols for operating during a health crisis, AHFA begins developing a website under the Alliance4Safety banner.



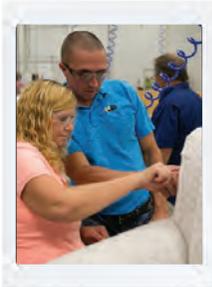
AUGUST

August 7: Jobless claims reach a record high of 1.186 million. Deaths in the U.S. exceed 1,000 per day. Nationwide, COVID-19 cases reach 5.4 million.

The Specialized Furniture Carriers begin a series of logistics webinars keeping members up-to-date on key topics, including the growing capacity crisis in ocean freight.



In the Regulatory Compliance webinar series, executing an "effective" recall and navigating international product compliance issues are the August topics.



The Furniture Foundation awards \$49,000 in 2020 grants, all of it earmarked to support industry training programs. \$12,000 goes to the Appalachian State University furniture design program, while the remainder is split between Catawba Valley Community College and Caldwell Community College & Technical Institute for upholstery training programs.

AHFA unveils its new Alliance4Safety website designed to communicate to federal, state and local officials that furniture manufacturing, distribution and retail operations are able to remain open while protecting worker health and safety.



SEPTEMBER

September 25: A motorcycle rally, school and university reopenings and Labor Day weekend celebrations all are linked to dramatic rise in COVID-19 cases throughout the Midwest. Worldwide, deaths reach 1 million.

As part of Baby Safety Month, sponsored by the Juvenile Products Manufacturers Association, AHFA releases a series of furniture safety tips in graphics designed to share on social media. Manufacturers and retailers alike are urged to promote the safety messages on their websites and social media pages.



How to respond to a product recall and changes ahead for the voluntary furniture stability standard are the topics of September's regulatory webinars.

EPA releases the full scope of the risk evaluation it intends to conduct for formaldehyde. Engineered, pressed and composite wood products not already regulated will be included - meaning AHFA's work on formaldehyde remains unfinished. The Alliance pledges to provide the technical data necessary to gain the favorable ruling the industry needs.

A discount pricing program at Office Depot is rolled out for ICFA retailer, manufacturer and supplier members.

A virtual awards celebration brings together all segments of the outdoor furnishings industry via Zoom to recognize winners of the 2020 Design Excellence Competition, the Apollo Award winners and the Manufacturer and Sales Representative of the Year.



OCTOBER

October 2: President Trump enters the hospital after he and the First Lady test positive for COVID-19. Trump is released after three days. Rural states see surge in infections. Global infections top 40 million. U.S. death toll is 220,000.

An extended nine-day High Point market in October helps showrooms limit the number of visitors at one time by providing extra market days. Traffic is off about 60% from the prior year, but, in the context of 2020, the effort is considered successful.

Regulatory webinars offered in October include an update on CPSC and EPA initiatives and how they might be impacted by the November presidential election results, as well as a progress report on member companies participating in the 20+20 project. Work is underway to add stability compliance and tip restraint information to website product descriptions and to provide consumers with additional product safety details.

Six more AHFA members have joined the UL Stability Verified Program in 2020, bringing the total number of AHFA participants to 17.



ICFA holds a virtual membership meeting to elect 2021 officers. Harold Hudson, president of Summer Classics Private Label, will serve as Chair of the Board of Directors. Karen Brams, president of Island Living & Patio in West Palm Beach, Fla., will lead the Retail Council.



NOVEMBER

November 4: 100,000 new COVID-19 cases reported in a single day. CDC warns against holiday travel. Positive vaccine news continues.

Officials in all 50 states learn about the home furnishings industry's successes in operating safely throughout the COVID-19 health crisis through an "Alliance4Safety" package produced by AHFA. In addition to the industry's "Safe=Essential" message, the package includes a custom face mask produced within our industry.



Three member companies spotlight best compliance practices in the November installment of AHFA's 2020 regulatory webinar series.

AHFA's 2020 Annual Meeting is virtual; no Distinguished

Service Award is presented for only the second time in 54 years.

ICFA announces it will postpone its next Educational Conference to February 2022 at the Walt Disney World Swan Resort in Orlando, Fla.

AHFA members American Leather, Norwalk Furniture and Telescope Casual Furniture are among companies selected to receive "HEARTS" Awards – an honor conceived by Dallas Market Center to honor companies that showed leadership, empathy and service during the COVID-19 health crisis. A January award presentation is later rescheduled for June 2021.



DECEMBER



December 11: FDA approves Emergency Use Authorization for the Pfizer vaccine. Shipments and vaccination of health care workers begins within days. At year-end, 2 million globally and at least 360,000 in the U.S. have succumbed to COVID-19.*

The entire AHFA Board of Directors agrees to add a year of service to their terms. Jeb Bassett prepares to begin a second year of service as chair.

Richard Weeks, vice president of sales at Leggett & Platt, is named 2021 chair of the Solution Partners Board of Directors.



The 2020 Regulatory Webinar Series concludes with a detailed "how to" session on developing a compliance program that addresses government and industry requirements.

Although COVID-19 shutdowns slowed progress, 2020 ends with 20 AHFA manufacturers and more than 20 retailers making improvements to the safety messaging on their websites as part of the 20+20 Project.



On December 27, President Trump signs the "COVID-19 Regulatory Relief and Work From Home Safety Act" – which is AHFA's Safer Occupancy Furniture Flammability Act under a new name. This long-awaited legislative victory gives the CPSC until June to adopt California's Technical Bulletin 117 as a federal flammability standard.

* Monthly COVID-19 milestones are from The Center for Biosimilars, www.ajmc.com/view/a-timeline-of-covid19-developments-in-2020

Awards

Among the many unfortunate side effects of the 2020 pandemic was the postponement and cancellation of awards presentations. When possible, we gathered virtually to honor excellence and celebrate leadership.



LIFETIME LEADERSHIP

AHFA's highest honor, the Distinguished Service Award, was deferred in 2020 for only the second time in the 54 years since the first award was presented in 1966. Without an in-person celebratory gathering at the Annual Meeting in November, the selection committee elected to not name a 2020 recipient.

ICFA's Annual Lifetime Achievement Award went to **Gary McCray**, former president of Klausner Outdoor and Lane Venture. McCray is known for bringing innovation to the outdoor furniture category. His leadership of ICFA during two terms a decade apart helped launch several new initiatives that made the Association stronger, including the first annual Educational Conference.



SCHOLARSHIPS

AHFA's Solution Partners Division awarded 12 scholarships in 2020, all to students who are children of home furnishings industry workers.

Eight of the \$2,500 scholarships were presented based on academic merit and financial need. Four were presented based on academic merit alone. Recipients had parents who are full-time employees at Franklin Corp., United Furniture Inds., H.M. Richards, Tropitone Furniture, Simply Amish, Norwalk Furniture, Ethan Allen, Flexsteel, Hickory White, La-Z-Boy and Sherrill Furniture, along with supplier member Marsh & McLennan.

The ICFA Richard Frinier Design Scholarship was deferred in 2020 due to the challenges students faced submitting design projects while restricted to remote learning.



FOUNDATION GRANTS

The Furniture Foundation awarded \$37,000 in grants in 2020 to support upholstered furniture training programs in North Carolina. These included \$15,000 for 60 student scholarships to the **Alexander Furniture Academy** in Taylorsville; \$7,000 in scholarships to the **Catawba Valley Furniture Academy** in Hickory; and \$15,000 for 82 student scholarships to **Caldwell Community College & Technical Institute's Furniture Technology Program** in Hudson. In addition, \$12,000 was awarded to **Appalachian State University** in Boone, funding four scholarships to the furniture design program.



CASUAL INDUSTRY AWARDS

During its 2020 Educational Conference in San Diego, ICFA presented the Mary Fruehauf Retail Genius Award to **The Fire House Casual Living Store**, a retailer with stores in Charlotte and Raleigh, North Carolina, along with Greenville, South Carolina. **Richard Frinier** was honored with the organization's Industry Partner Award.

In September, ICFA honored its top retailers, manufacturers, sales representatives and designers at a virtual awards celebration. With more than 300 members and guests participating online, the Apollo Awards for retail excellence went to **Gasper Home & Garden Showcase** of Richboro, Pennsylvania, in the single-store category, and **The Fire House Casual Living Store**, based in Charlotte, in the multi-store category.

OW Lee was named Manufacturer of the Year – a tribute to the design and quality of the company's products, as well as to its outstanding customer service. **Dave Digirolamo** of DJD Associates in Dublin, California, was awarded Sales Representative of the Year, and the late **Mia Nault**, a 10-year veteran in the customer service department at Ebel in Jacksonville, Florida, was honored with the inaugural Unsung Hero Award for outstanding customer service. Nault was tragically killed in February while assisting a disabled motorist.

Finally, ICFA named **Mamagreen** the winner of its Lillian B. Winchester "Best of Show" award for the Maximus Extension Dining Table by **Vincent Cantaert**. The extension table also received a Lilly Award in the Outdoor Furniture category. **TUUCI's Northstar Mast by Dougan Clark** received the Lilly Award in the Outdoor Accents category.

Advancing in 2021

What's on our agenda for the year ahead? Here's a brief overview of the issues and challenges we plan to tackle.

As this Year in Review

illustrates, AHFA was anything but "on hold" in 2020. We begin 2021 with a new federal flammability regulation, a comprehensive health pandemic preparedness and operations plan, and solid groundwork laid to achieve positive results for our industry on key regulatory issues. These initiatives top our priority list:

ADVOCACY

New members of Congress and agency leadership will need to hear our industry's perspective on a sweeping range of issues, including:

- the impact of formaldehyde rule enforcement;*
- implementation of the upholstered furniture flammability standard at a national level;*
- the cost – to both industry and consumers – of producing furniture that is stable versus furniture that is unmovable; and,*
- the anti-employee Protecting the Right to Organize Act.*

AHFA will work to provide a voice on these and other issues at both the state and national level.

MEMBER ENGAGEMENT

Providing members with the information they need in the format that is most convenient for them remains a top priority of the Alliance. Members must remain engaged if they are to realize the maximum value of their membership. In 2021, AHFA will continue making its resources easier to access.

SOLUTION PARTNERS

Competing in the global economy requires strong and reliable partnerships, and the Solution Partners division remains committed to facilitating those relationships. Specialized forums, like the Logistics Conference in June, and industry-specific resources, like AHFA's online Industry Resource Guide and Specialized Furniture Carriers Directory, will expand supplier opportunities to share their expertise and establish valuable connections in 2021.

ICFA

2021 will provide new opportunities for outreach to all businesses involved in the casual furnishings category and programs to improve profitability for those companies. With the groundwork laid for the next Educational Conference – "Innovate & Elevate" – in Orlando on February 14-17, 2022, association resources will be focused on rolling out a new training program for retail sales associates, building membership, mentoring new members, augmenting philanthropic outreach and developing new tactics for member communication and engagement.

Member Outlook

AHFA SURVEYED ITS MEMBERSHIP IN DECEMBER 2019 AND FOUND EXECUTIVES SOMEWHAT LESS OPTIMISTIC ABOUT THE YEAR AHEAD THAN THEY WERE THE PRIOR YEAR.

26%

said their outlook for 2020 is very good

Last year 46% described their outlook as very good or excellent.

26%

said government regulation is still top concern

But attracting and keeping a quality workforce is of equal concern.



55%

said 2020 will be moderately improved over 2019

Last year 46% expected year-over-year improvement.

77%

said regulatory updates are the most important service received from AHFA.

Followed closely by compliance guidance. This was unchanged from last year.



* Excludes automobiles, gasoline & restaurants

NO RETAIL TREND HAD A MORE PROMINENT IMPACT IN 2020 THAN THE TRANSITION TO DIGITAL SHOPPING. THE SHIFT DISPROPORTIONATELY BENEFITED RETAILERS AND MANUFACTURERS WHO HAD INVESTED IN DIGITAL PRIOR TO THE PANDEMIC.