

*A former COVID-19 hot spot avoided economic disaster. But many of its residents are still struggling.*

**Grand Island** – Lyssa Lanzendorf found herself with a new baby and no job when the pandemic struck here last spring.

Lanzendorf, 25, had worked as a sandblaster at Pall FSI, an industrial filter maker. She loved the job, even though it required her to wear protective gear like an old-time deep-sea diver’s and handle a high-pressure hose that shot a mixture of sand and glass.

Pall FSI furloughed Lanzendorf’s position when she was on maternity leave. Her wage, \$14.50 an hour, hadn’t left much room for a crisis. When she couldn’t quite make ends meet, she went to Hope Harbor, a local women’s shelter, for help with the rent and new expenses like diapers.

The good news is that Lanzendorf eventually found another job, as a contract security guard at JBS Grand Island, a large meatpacking plant on the east side of town. The bad news is that it pays \$2.50 less an hour — what she calls “an extreme deduction.” Her annual salary comes out to just under \$25,000.

“We get by,” Lanzendorf said. “It’s a little bit harder because we have the baby. As adults we all have to deal with difficult things in life, and this is one of them.”

Lanzendorf’s experience mirrors the trajectory of her tough town’s — a rough patch followed by a tentative recovery. Grand Island became a subject of [national news](#) reports after a major COVID-19 [outbreak](#) at the beef production plant where Lanzendorf now works showed the coronavirus was everywhere, even the center of the country.

A year later, this city of 51,000 has in large measure made it back, thanks to tens of millions of dollars in government aid, the resilience of its underlying economy, and residents who rallied to one another’s aid. Yet many remain on the edge financially.

In the U.S., the unemployment rate of workers who were making less than \$40,000 a year rose more sharply and has recovered more slowly than it has for workers who make more



*Lyssa Lanzendorf and son. Lanzendorf lost her job as sandblaster in the pandemic. She got another one, but her finances took a hit. Photo provided.*

money. While Nebraska's economy has improved significantly since April, lower-income households still struggle, Nathan Kauffman, vice president of the Omaha branch of the U.S. Federal Reserve, said.

The [disparities](#) could persist beyond this year, though the new \$1.9 trillion stimulus will help ease the strain. Nebraska is expected to get [at least](#) \$5 billion from the measure.

"This has really been a shock unlike anything that's been experienced," Kauffman said in an interview. "It's not immediately clear that we'll go back to a situation that we would have been in prior to the pandemic."

### **Beef, bullets and combines**

Grand Island lies along Interstate 80 in the broad Platte River valley, roughly 90 miles north from the center of the contiguous U.S. It's a working-class, surprisingly diverse city with jobs that don't lend themselves to a stay-at-home option.

Factories here produce beef, package frozen foods, manufacture combines and make bullets.



*Grand Island Chamber of Commerce President Cindy Johnson. 'While we've struggled, we're still in the fight.' Credit: The Independent.*

Despite its remoteness, Grand Island also draws a fair number of visitors, who come for the State Fair, Aksarben Stock Show, and Husker Harvest Days, which advertises itself as the world's largest irrigated working farm event.

When the pandemic struck last spring, it struck hard. Hall County which includes Grand Island, at [one point](#) had more cases than the Omaha, which is about eight times as big.

As businesses and schools shut down, worry settled over the town like a freezing fog.

"We were struggling. Our restaurants were struggling. Our retail was shut down for two months," said Cindy Johnson, president of the local Chamber of Commerce. "Underlying everything was a fear that things would never return to where they were."

### **Grand Island, Nebraska**

A COVID-19 outbreak last spring brought national attention to Grand Island, Nebraska, which lies near the center of the contiguous U.S.



Map: Jim Snyder • Created with Datawrapper

Johnson recalls looking out at the usually-bustling-but-now-empty-street outside her office door in mid-March and wondering whether an economic slide that had started before covid would accelerate.

“I could have stopped in the middle of 2<sup>nd</sup> Street and called my mother and filed paperwork and done 100 things,” she said. “There was no traffic.”

### Still in the fight

The pandemic triggered other worrying signs. The [Principal Financial Group](#) said its workers would stay at home permanently, sparking fears of a commercial real estate decline. MedExpress, an urgent care company, [announced](#) it would concentrate on telehealth and closed one of its satellite offices in Grand Island.

As the pandemic temporarily eased its grip over the summer, the economy, aided by a \$2 trillion federal relief package, started to stabilize and improve. By February, about 400 businesses received \$112 million in federal loans. Some businesses with the help of federal aid money did better than they had in a typical year, Johnson said. The city, which had been prepared to run a deficit, instead registered a surplus, in part thanks to a \$3.5 million in federal money to help fund its public safety department.

Ultimately, Johnson estimates that maybe 10 businesses shut down. That includes Lanzendorf’s old company, which closed its doors in February, [laying off](#) 80 people. But Case IH, the combine maker, was looking to hire 100 people this winter.

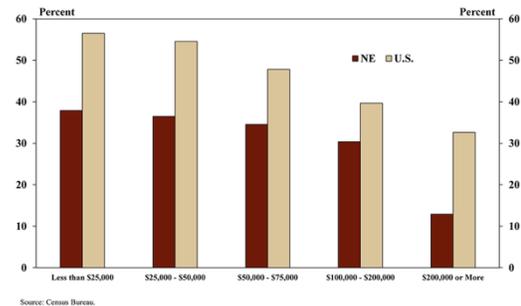
“While we’ve struggled, we’re still in the fight,” Johnson said.

### Recovery and hardship

As a goods producer, Nebraska typically weathers [economic recessions](#) better than other states that rely more on tourism, the Fed’s Kauffman said.

Rising agricultural commodity prices and a lower cost of living, which help residents stretch government aid further, also contributed to the state’s improving fortunes, he said.

**Chart 17: Effect of Pandemic on Employment Income by Household Income Level, Week of May 21-26**



Source: Federal Reserve Bank of Kansas City

Nationally the [unemployment rate](#) shot to 14% in April before falling to 6.3% in December. Nebraska's unemployment spiked to 8.3%, the state's highest rate since the 1970s. It's now 3%, [tied for the lowest](#) in the country. Grand Island's unemployment rate rose higher and hasn't dropped as far: to [11% in April](#) before falling to 4.4% in December.

But the smaller numbers can still accommodate plenty of hardship.

Economists estimate that as much as 1% of the workforce isn't captured in the unemployment figures because people have stopped looking for work. The numbers also don't account for people who are still working but at reduced hours, or who worked two jobs and now only have one that doesn't cover expenses.

The extreme deduction in pay Lanzendorf says she's experienced has meant that she and her fiancé, Mario Pecor, sometimes eat just once a day in order to make sure their baby has enough.

Pecor works for a refrigeration company, but he rarely gets more than 30 hours a week. The couple doesn't buy root beer or Coke anymore or other extravagances.

"Instead of doing that, we've brought more diapers, wipes, food for the baby to eat and try," she said.

Even so, by the end of the month the family "can still struggle" and sometimes need a helping hand from Lanzendorf's mother or sister.

### **Rising demand for food aid**

Coming up just short is common problem here.

Before COVID, the Heartland United Way, which serves Hall and three other central Nebraska counties, gave out \$8,000 a month in assistance for food, rent and utilities to people in need. By December, that figure had soared to nearly \$100,000.

"When we talk about increased need, it is numbers that I never thought we'd ever see," Karen Rathke, president of the charitable group, told a group of Rotarians recently.



*Karen Rathke and staff at Heartland United Way. The need for help during the pandemic is at a level "I never thought we'd ever see," Rathke said. Credit: The Independent.*

Each Saturday a line of cars starts to form in the east side of town around noon for a food service at Messiah Evangelical Lutheran that begins at 2:30. Demand rose so much that the church had to relocate to the parking lot of a community college one recent Saturday to give the Department of Public Safety time to work out a less disruptive traffic pattern.

Before the coronavirus hit, the church gave hot meals to about 200 needy recipients through its “Saturday Suppers” program. Now hundreds of cars — 406 is the record — line up for boxes of food.

“As we’ve gotten deeper into this pandemic, the need has grown exponentially,” said interim Pastor Steven Peeler.

Other food services in town also report a doubling of demand for food aid. Lanzendorf says she’s thought about getting a food box at Messiah but worries over the cost of the gas from sitting in the long line.

It doesn’t take much of a hiccup for many residents to find themselves short, even in a relatively low-cost area.

A person making \$9 an hour — Nebraska’s minimum wage — has to work 60 hours to afford a two-bedroom house in Grand Island, Rathke said.

“When you take away some of those hours, because you were sick or had to self-quarantine, it quickly escalated because there are so many people that are one or two paychecks away from really not being able to afford basic needs,” she said.

### **Grateful for help**

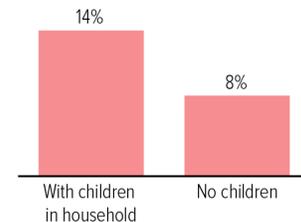
The Martinez family suffered an ordeal that would knock most people down. Chrystal, 39, her husband, Tino, 44, and their four kids, ages six to 19, were living relatively comfortably in a three-bedroom house with a basement before COVID.

Over the summer, everyone in the family but one of the children contracted the virus, and the effects still linger. Martinez’s taste hasn’t completely returned. She used to love Dr. Pepper, but now says it tastes like aspirin. Kool-Aid is the only drink she can stomach.

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### **For 1 in 7 Adults With Children, Household Lacked Sufficient Food in Last 7 Days**

Share of adults reporting that their household sometimes or often did not have enough to eat



Note: Chart excludes individuals who did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey tables for February 17-March 1, 2021

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No one was hit harder than Tino, a cancer survivor. He spent 41 days in the hospital fighting to survive with Martinez by his side every day. He still needs oxygen and has been unable to go back to his job at FedEx, said Martinez, who has a back injury and is unable to work.

“Right now, we’re all going through a lot,” she said. “It takes a toll on your body and your family. It’s a bad deal.”

A broader social safety net has helped keep the family above water. Hope Harbor, the local non-profit, dispensed more than \$132,000 of federal dollars in rental assistance to 134 households, thanks to more federal money.

“There are so many people out there who have been affected,” said Peachis Mason, Hope Harbor’s services coordinator. “A lot of times when I talk to them, they’ve never been in this situation before.”

The shelter provided the Martinez’s six months of rent. It also operates a food pantry where every few weeks Martinez restocks on yogurt, meat, milk, and other items.

The community has provided support, too. Martinez planned to use part of the family’s stimulus check to pay off a bill for her family’s doctor, but it turned out the doctor had already covered it.

And when the school noticed two of her sons weren’t attending regularly, a counselor went to inquire what was wrong. Told the car needed a repair, the school paid \$500 for the repair. Martinez says he’s incredibly grateful for the help.

“We’ve been blessed. We really have,” she said. “I can’t complain.”

### **Re-opening schools**

Beyond the federal government aid, officials here also made decisions that helped the city recover. The biggest was the decision to re-open schools.



*Peachis Mason at Hope Harbor has used more federal money to keep needy Grand Islanders in their homes. Credit: The Independent.*

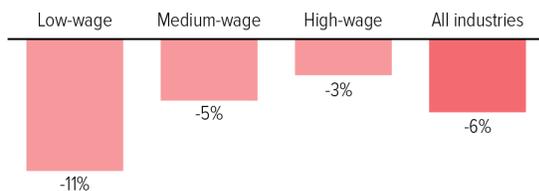
“If we were open, places were open,” said Jack Sheard, who managed communications for the district before departing last fall. “If we were closed, places were closed.”

Thirty-five percent of the parents in the district could not work as much as they normally would because their kids were home.

“You can guess where that 35% came from,” Sheard said. “It didn’t come from the

### Job Losses Largest in Low-Wage Industries

Percent change in number of jobs, February 2020 to February 2021



Note: Industries were ranked by average wages in February 2020 and divided into three groups containing roughly the same number of jobs.

Source: CBPP calculations of Bureau of Labor Statistics data

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higher end. It just widened our gaps further.”

Food services became a key concern for school leaders as well. Before the pandemic, more than 60% of the student body at Grand Island Public Schools qualified for free or reduced lunch. So, the system continued to serve food through the spring and summer until the schools

reopened with a mask mandate last fall.

Sheard says the district food service workers, many of whom are older and therefore at greater risk of contracting a serious illness from the coronavirus, deserve credit for continuing to serve kids and their families.

“You’re talking about at-risk communities — the older women coming together and saying, ‘we are going to feed these kids.’ And they did,” Sheard said.

### Pizza to the rescue

Businesses also learned on the fly. Johnson said the chamber helped some get online. Others added barriers and marked off socially distanced points to try to keep workers safe from the virus.

Brent Lindner, who owns five restaurants and bars in the Grand Island and Hastings, took to Facebook Live to try to gin up customers, walking through the bar as he described his staff’s cleaning process. He trained his employees to fill in for new roles to cover for workers who were scared to come in for fear of contracting the virus.

“It’s a juggling act,” he said.

A federal Paycheck Protection Program loan was essential to his company’s survival.

The other thing that saved him was pizza. He said pizza boxes piled up along his back wall at his Wave Pizza in Grand Island to meet demand, as customers increased take-out orders to keep a local favorite afloat.

“The community was very supportive,” said Lindner, who returned the favor by sending free pizzas to the city’s health workers. Now he says he’s “cautiously optimistic” about the future.

### **Fighting back**

Nathaniel Graves, 23, would like to follow Lindner’s path. The Grand Island native moved to Lincoln to pursue his dream of being a chef a few months prior to the outbreak.

He got a job cooking at Bourbon Street in Lincoln’s Haymarket area, a popular going-out spot. When the bar shut down for the pandemic, Graves didn’t have the financial wherewithal to stay. He moved home where in the fall he struggled to find work.

In the U.S., the leisure and hospitality industry, which already pays lower wages than other sectors of the economy, [lost 20% of its jobs](#) from April to September. In Nebraska, the drop-off was 15%.

The Fed’s Kauffman said that COVID has had “by far the biggest economic impact” on the sector. That segment of the economy is “still lagging quite a bit.”

For Graves, it didn’t help that his unemployment check was delayed, a [problem nationwide](#) as state agencies were overwhelmed with claims. He lived with his Mom for a time, couch-surfed for a few weeks, and, with [Hope Harbor’s](#) help, moved into the Grand Island Extended Stay.

He now has a job as a waiter at the 40 North Tap and Grille, a nice restaurant in Grand Island’s redeveloped downtown district known as Railside. But he only works the weekends, and customers haven’t returned in force yet. He splits the \$400 lot lease for the trailer where he and his roommate, now live. Plus there’s the \$200 he pays in child support, and another \$60 for utilities. The \$750 he says he makes in a month doesn’t go far. Graves said he’s often visited the food pantries to cut down on expenses. He’s trying to make the best of his situation, challenging himself to make the most of what is offered.

“I have made some amazing meals with very little,” he said, noting one he calls vegetable medley.

“I didn’t have much seasoning so I just threw in whatever I had — hot sauce packets and stuff — and just made it my own.”

### **Best birthday ever**

Ironically, both Graves and Lanzendorf said they’re finances were [flusher](#) on unemployment, with the supplemental unemployment payments provided by the \$2.2 trillion Coronavirus Aid, Relief and Economic Security Act signed by President Trump last March.

The latest [\\$1.9 trillion stimulus](#) that President Biden signed a year later will give them another needed boost.

Graves plans to use his upcoming tax refund and the \$1,400 stimulus check to put a down payment on a car, another step back to the level of independence he had had before the pandemic. His son will benefit from an expanded child tax credit.

Lanzendorf will also be helped by the child tax rebate, which for kids under six is \$300 a month benefit. The credit would represent about one-fourth of her current monthly income, an “awesome” boost, she said.

She plans to use her \$1,400 stimulus check to buy her baby new clothes and to make sure he has “the best birthday you could have for a first birthday.”