

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

Grand Island, Neb. — When the pandemic hit, Lyssa Lanzendorf found herself with a new baby and no job.

She had been a sandblaster at an industrial filter plant. She loved the work despite the protective gear that made her look like a deep-sea diver and the heavy blasts of sand and glass she handled each day.

But the plant cut back steeply when the economy crashed when COVID hit, and Lanzendorf lost her job while on maternity leave. The \$14.50 an hour Lanzendorf earned hadn't left much room for a crisis, and she and her fiancé were forced to rely on a local women's shelter for help covering rent and everyday needs like diapers.

Lanzendorf has since found work again, as a contract security guard at the JBS meatpacking plant on the edge of town — the same facility that would soon make Grand Island a national symbol of how quickly COVID-19 could spread through the country's essential workforce.

The new job pays \$2.50 less an hour, which she calls “an extreme deduction.”

Her annual income now comes in just under \$25,000. She and her fiancé make it work, but barely. Some weeks, they eat just once a day to make sure their infant son has enough.

“We get by,” Lanzendorf said. “It's a little bit harder because we have the baby.”

In many ways, Lanzendorf's story is the city's: a sharp economic shock, followed by a recovery that looks solid on paper but feels fragile up close.

Grand Island, a city of about 51,000 along Interstate 80 in central Nebraska, is the kind of place that doesn't easily shut down. Its economy runs on work that has to be done in person — processing beef, packaging frozen foods, building farm equipment, making ammunition. It draws crowds for agricultural events and Nebraska's annual state fair. It is working-class, diverse and, before the pandemic, relatively stable.

Then the virus arrived.

At one point last spring, Hall County — anchored by Grand Island — had more confirmed cases than Omaha, a city eight times its size. Restaurants closed. Retail went dark. Streets emptied out.

“We were struggling,” said Cindy Johnson, president of the local Chamber of Commerce. “Underlying everything was a fear that things would never return to where they were.”

From her office, she remembers looking out onto a usually busy downtown street and seeing nothing — no cars, no pedestrians, no movement at all.

Still, the collapse many feared never fully came.

Federal relief money flowed in. Hundreds of local businesses received loans. City finances, once expected to slip into deficit, ended the year in surplus. Only a small number of businesses ultimately closed. Some even reported stronger-than-usual years.

By the numbers, the recovery has been swift. Nebraska’s unemployment rate, which briefly spiked to levels not seen in decades, has fallen back to among the lowest in the country.

But those numbers obscure a more uneven reality.

Lower-wage workers were hit harder and have recovered more slowly, following a national trend. Some have dropped out of the workforce altogether. Others are working fewer hours or piecing together jobs that no longer cover basic expenses.

“This has really been a shock unlike anything that’s been experienced,” said Nathan Kauffman of the Federal Reserve. “It’s not immediately clear that we’ll go back to where we were.”

In Grand Island, that gap between macro recovery and daily life shows up in small, persistent ways.

Before the pandemic, a local United Way chapter distributed about \$8,000 a month in aid. By December, that number had surged 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 Heartland United Way, said.

Each Saturday, cars begin lining up hours in advance at Messiah Evangelical Lutheran to receive boxes of groceries. What once served 200 people now draws hundreds of vehicles — sometimes more than 400 — snaking through parking lots and side streets.

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

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.

The Chamber's Johnson estimates that maybe 10 businesses have shut down due to the pandemic. That includes Lanzendorf's old company, Pall FSI, which closed its doors in February, laying off 80 people.

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."

A minimum-wage worker would need roughly 60 hours a week to afford a modest two-bedroom home. Miss a shift because of illness or quarantine, and the math stops working.

Chrystal Martinez and her family all contracted COVID-19 over the summer. Her husband, a cancer survivor, spent 41 days in the hospital and still cannot return to work. She has a back injury and is unable to work herself.

They now rely on a patchwork of assistance — rental support, food aid, help from local nonprofits — to stay afloat.

"It takes a toll on your body and your family," Martinez said. "It's a bad deal."

And yet, like many in Grand Island, she talks just as much about what has held them up as what has knocked them down. A doctor quietly forgave a bill. A school helped repair the family car so her children could attend classes.

"We've been blessed," she said. "I can't complain."

That mix of strain and resilience runs through the city.

Schools reopened relatively early, allowing many parents to return to work. Local businesses improvised — shifting to takeout, retraining staff, leaning on federal loans to keep going. One restaurant owner said pizza orders surged as customers tried to support local spots.

"The community was very supportive," he said.

For younger workers, though, the path back has been uneven.

Nathaniel Graves, 23, had been working toward a career as a chef in Lincoln when the pandemic shut down the restaurant where he worked. He moved back home and struggled for months to find steady employment.

Now he waits tables on weekends, earning about \$750 a month. He splits lot rent for a trailer, pays child support and relies on food pantries to fill the gaps.

“I’ve made some amazing meals with very little,” he said.

Like Lanzendorf, he says there were moments when unemployment benefits provided more stability than work does now.

New rounds of federal aid may help ease some of that pressure. Expanded child tax credits and stimulus payments are expected to provide a temporary cushion.

For Lanzendorf, the monthly credit for her son could amount to roughly a quarter of her income — a meaningful boost in a household where every dollar is accounted for.

She already knows what she wants to do with the next check: buy her baby new clothes and give him, as she puts it, “the best birthday you could have for a first birthday.”

It’s a modest goal. But in a town that has weathered the worst and is still finding its footing, it feels like progress.