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## Enter the Recession's Waiting Room

By [DAVID SEGAL](#)

Columbus, Neb.

A BUNCH of the guys drove straight to a bar. You get laid off from a job that pays \$15 an hour, plus health care and other benefits — it's Miller time. Time for a convoy to one of the watering holes in this town, 80 miles west of Omaha, where you can buy a beer at 10 in the morning.

Few of the employees of Katana Summit, a wind-tower manufacturer, saw it coming. On that day in early August, and in another round of cuts a few weeks later, about half of the plant's 195-person payroll was eliminated, a shock that came with one notable consolation: the executives said they hoped to hire everyone back soon.

They seemed to mean it, too. As Kevin Strudthoff, the chief executive, explained that day, this was a "temporary layoff," but there was a limit to what Katana could promise. The company, privately held, said it landed a multimillion-dollar deal last year to provide 225 wind towers to a turbine maker that it declined to identify. But when the [credit crisis](#) hit, wind-farm developers found it all but impossible to raise money, killing demand for wind towers.

In June, the turbine maker called Katana and said it was temporarily suspending its order. Layoffs were then inevitable.

Charles Salak, a burly, 39-year-old welder with an unruly goatee, was among the newly jobless that morning. But instead of commiserating with friends at the Sahara Lounge, he drove directly to the unemployment office, or Workforce Development, as it is called here. He was thinking about his wife and three children and how nuts he would go without a paycheck and something to do. Why not start looking right away?

"I was getting these [text messages](#) from my friends saying: 'Where are you?' We got a cold one for you,' " he recalled over lunch at a local fast-food chain called Runza. "I just wrote them back and said, 'Nah, you guys drink it.' "

The question now is whether that order for 225 towers will be scaled back or canceled. If it's canceled, Katana Summit won't operate at even a fraction of full capacity anytime soon and won't need Charles Salak and his co-workers for the foreseeable future — if, indeed, it ever needs them again.

It is early September, and Mr. Salak and Mr. Strudthoff — the semiterminated and the semiterminator — are living parallel lives. Neither of these men is idle, but each is living in that awkward, immiserating limbo where it's clear, or maybe just clearer than usual, that your future and financial well-being are determined by forces beyond your control.

That limbo is arguably the quintessential American experience of the moment. When the Great Recession is dissected into its component parts, this might be remembered as the Waiting Phase. It's not as scary as the Plummeting Phase of last year, or as event-filled as the To-the-Ramparts Phase of several months ago, but that doesn't make it any easier.

A real recovery, we have heard time and again, won't begin in earnest until the jobless rate, now at a 26-year high of 9.7 percent, starts to fall. But what will it take for the rehiring to start? What do companies like Katana need to see before they call back people like Charles Salak?

What, in other words, are we waiting for?

Every company has a different answer, because every company is linked to a different piece of the Rube Goldberg contraption that is our economy. In the case of Mr. Salak and Katana, the wait is connected to a broad array of factors: the flow of credit, green power initiatives, dozens of small and large choices in the hands of people who live far from here.

Ultimately, though, the wait at Katana boils down to a phone call. Under terms of the deal, the turbine maker had until the close of business on Sept. 25 — last Friday — to decide whether to scale back its order or walk away from it altogether.

Stop or go. Wait or get back to work. At the time of this visit to Columbus, nobody knew what would happen.

"I hope they call us early in the day," said Mr. Strudthoff a couple of weeks back. "That would be courteous."

COLUMBUS, a city of 21,000, has the highest per-capita rate of manufacturing employment of any place in Nebraska. It produces car seats, burger patties, ethanol, bug traps, dog kennels, grain tubs — the list goes on. A handful of Fortune 500 companies have a presence here.

With so much manufacturing concentrated in such a small place, Columbus is a laboratory of blue-collar capitalism that, until recently, was remarkably efficient at putting people to work. Jobs were so plentiful that the local Chamber of Commerce sent representatives to towns in Iowa and Michigan where factories were closing, hoping to persuade families to relocate. The local unemployment rate was typically just over 4 percent.

For decades, civic leaders courted manufacturers with publicly owned land set aside for factories, with a support structure for industrial repairs and with a work force that, like much of Nebraska's, is not unionized. Manufacturers knew that they would have ample latitude in hiring, firing and overseeing their employees, because labor organizers gave up on Columbus long ago.

"I think of it as the most anti-union town on the planet," says Ken Mass, the president of the Nebraska [A.F.L.-C.I.O.](#) "Back in the late '70s, early '80s, the Machinists International Union went there, handbilling, getting their name out. A patrolman just told them to leave."

Subsequent union organizing efforts, he says, caused companies to threaten to relocate — and that was the end of that.

The management-friendly atmosphere has lured lots of corporations, which in turn lured people like Mr. Salak, who was raised in Arizona and has relatives in Schuyler, a nearby town. The deal was: Manufacturers could make the rules largely as they saw fit, and in return workers got steady jobs in a place where it was relatively cheap to live.

A sign about 17 miles outside of town says "Columbus Is Open for Business," and the more time you spend here, the more literal those words sound.

You can see management's unfettered hand in the vaguely Dickensian hours that many here work, and you sense an emphasis on unfettered growth in the just-build-it ethos that governs the stretch of strip malls on the road that bisects the town. It's fast food, a [Wal-Mart](#), a [J. C. Penney](#), check-cashing outlets and dozens of other stores. The traffic to this generic stretch has come at the apparent expense of a fading but picturesque downtown — a Hopper-esque setting, with a railroad station, some gorgeous early 20th century buildings and a former opera house that is now a minimall.

But Columbus is a place with affordable homes, newly renovated schools and very little crime. It has a small-town, rural Midwestern feel but has always been expanding enough to be vital and robust. Layoffs aside, there is very little turnover in the work force at the plants here — and a major reason is that people like their jobs and like their town.

“This is a community,” says Mr. Salak, “with a lot of down-to-earth people.”

Columbus rarely makes national news, though it did in 1997, when a Hudson Foods plant here recalled 25 million pounds of beef, then the largest recall in United States history, in an outbreak of E. coli. (The plant was subsequently sold and is now owned by Cargill.) For the most part, this place hums quietly along.

Or it used to. Columbus was all but immune to the recession's effects for months after it was upending communities around the country.

“We kind of lag the coasts,” says Mike Moser, the town's mayor, who also owns a musical instrument store.

“We don't have the highs that you see in other parts of the county, and we don't have the lows. But we're feeling it now.”

ONE of the first places with a recession tremor was the Behlen Manufacturing Company, which makes dozens of farm products, as well as one-story steel buildings. Behlen is the granddaddy of Columbus industry, and in a warren of offices beside its factory floor, the company's history is told in photographs, including an image of one of its steel huts, which was used to test the effects of the first nuclear bomb when it was detonated in New Mexico in 1945.

By January of this year, orders for the building segment of the business had all but dried up. Behlen tried a number of strategies to cut costs, including layoffs, and eventually the company shed about 200 of its 1,050 jobs. The executives said they hoped to rehire many of those who left as soon as the phones started ringing again.

Among those laid off was Heather Ziemba, a shy 30-year-old with light blonde hair. She started three years ago at Behlen, working a computer-operated lathe on the factory floor, and then had a desk job, coordinating orders.

She sat one afternoon on a bench outside Workforce Development, a place she visits once a week to comb through new job listings. She had just returned from an interview with a newly opened hotel looking for an assistant manager.

“They offered me the job, but at \$8 an hour,” she says, a little exasperated. That's about what she earns from unemployment checks. And by her calculations, given her expenses — which include raising five children — it isn't enough. She told the hotel that she would consider \$9 an hour. The hotel said no.

This the ninth month of Ms. Ziemba's wait, the longest spell of unemployment she has endured since she started working at age 15, commuting to Columbus from her parents' home 30 miles away to work at a

medical device plant. By 17, she had moved to town, and by 19 she had her first child.

The man she is now with brought one child to the relationship, and together the couple have had three more. They are engaged but there are no plans for a wedding.

“He’s the sixth child,” she says with a tight grin.

Ms. Ziemba has been attending Central Community College, part time, for the last two years, and this summer she received a degree in business administration. It was supposed to be a ticket to a different pay scale, but her expectations have been trimmed. Her latest plan is to earn enough credits online, through a college in Omaha, to parlay her C.C.C. diploma into an undergraduate degree. But that will cost at least \$10,000. It’s the kind of expense that a handful of the more generous employers in Columbus help cover — Behlen among them.

It’s one more reason Ms. Ziemba misses the place. She has always been fond of the Raimondos, the family that owns and runs the business. There is Tony Sr. — known as T. R. — and his sons, Tony Jr. and Phil.

“You could have a real conversation with them,” she says. “And initially, when my job was eliminated, they said, ‘Don’t worry, we’ll find you something else out on the floor.’ Then a whole month went by and they didn’t say anything. Then one of them said to me, ‘Did you decide what you’re going to do?’ I thought, ‘Did you think somebody would take care of this problem for you, because nobody talked to me about it.’ ”

TONY JR. is offering a golf cart tour of the Behlen factory floor. It is 850,000 square feet, large enough for 17 football fields.

You think of a place like this as a hive of loud and well-coordinated action, but little is happening here. It is like driving into a city that is under a hurricane watch, with just a few stragglers left behind. Every minute or two, you come upon a couple of guys who are galvanizing metal or fabricating tubing. Mostly, it’s quiet.

“We’re hopeful,” says Tony Jr., driving past an unused Wiedematic steel punching machine. “But it’s really strange to see it like this. The other day I looked through this window in a door to the factory floor and it was dark. During second shift.”

What are the Raimondos looking for as a first sign that it might be time to start rehiring?

Orders from hobby farmers, says T. R., sitting in his office and looking through the latest numbers. Behlen is a huge seller to Tractor Supply, a retailer beloved by both professional and amateur farmers. The amateurs tend to be fairly wealthy, white-collar types, with a couple acres of crops, some livestock and horses.

The first sign of a pulse will come from them, with orders for horse stalls, dog kennels and watering tanks.

“That’s our lead indicator,” T. R. says.

Before the recession, the company sold \$1.8 million a week in its Behlen Country division, which includes hobby farmer sales. That fell to \$1.2 million a few months ago.

“I just read in our sales figures that it’s up to \$1.5 million for the week,” T. R. says. “That’s the best in several months. Now, will it sustain that pace? We need a little time to find out.”

Ms. Ziemba would go back to her former job if the Raimondos called tomorrow. For Charles Salak, it’s more complicated.

Part of it is pride. Being laid off temporarily, it turns out, is like getting the heave-ho from a girlfriend who might like to get back together, at some point. But not now, and maybe never.

It kind of makes you feel dangled.

“I’m leery of them calling me, and I can’t put my finger on it,” says Mr. Salak, who is wearing a shirt with the words “Katana Summit” embroidered on it. “I guess it’s because we poured our heart and soul into this company and they turned around and said, ‘Sorry, we don’t need your assistance until further notice.’ ”

With his thick arms and loud laugh, Mr. Salak is the kind of guy you would pick first if you were in charge of a tug-of-war team. You would probably win and you would certainly have a good time. The day we met at Runza, he had just come from Katana, the first time he had been back. He and others were asked to swing by and sign up with a new health insurer the company had hired.

It was the one perquisite they kept — health insurance. It was a gesture intended to say, “We’re serious about hiring you back,” and it was supposed to prevent these sort-of ex-employees from taking another job.

It makes sense for Katana, which would need to spend weeks and a lot of money bringing a new crew up to speed if and when orders pick up. But for Mr. Salak and others, the benefit comes with a cost. The state offers plenty of retraining programs, but won’t spend money on someone who is “attached” with a company. Mr. Salak would like to learn more sophisticated, better-paying welding techniques, but the programs on offer are not available to him on the state’s dime.

As for his own savings, well, he is running low on dimes: “I’m approaching mac-and-cheese broke, as

Jeff Foxworthy would say.”

Later that evening, Mr. Salak is back in his home, with his wife, Lisa, and their three children. The 4-year-old twins, Riley and Lacey, take turns leaping from the sofa onto their father's back. A pair of poodles, Shadow and Chewy, take turns barking.

Mr. Salak, now in a different “Katana Summit” shirt, walks outside of the three-bedroom house to show off the home improvement projects that have kept him busy in recent weeks — new gutters, as well as a ramp for his mother, who has multiple sclerosis. Occasionally, he will work with a relative who owns a farm, repairing equipment.

“I'm not the sort of guy who can just sit around,” he says. “I could watch [Nascar](#) all day, but I'd go crazy if I did that.”

His wife, fortunately, has a job in town, at BD Medical, where she operates a machine that makes glass syringes. Her shift starts at 6 a.m. and ends at 6 p.m, with a half-hour for lunch and one 15-minute break. She works three of these 12-hour days one week, then four the next.

She would love to move to a shift of 8 a.m to 4 p.m., five days a week, but those openings rarely come up, and if one did, there are dozens of people at BD Medical who trump her 10 years of seniority. On days off, she cooks meals that her husband can microwave for the children, because she is at work when they want to eat.

As for vacation, “I've got to save up those days, so that I can stay home when one of my kids gets sick,” she says.

For now, the Salaks have no intention of moving to another town, mostly because they like Columbus. And for all his pique about Katana, Mr. Salak, when pressed, says he'd probably return to work if the company called. He's just tired of waiting for his phone to ring.

THIS might be of little comfort for Mr. Salak, but the man who laid him off is tired of waiting for the phone to ring, too.

Kevin Strudthoff has been visiting potential customers for weeks, seeking more wind-tower orders. There have been nibbles. One client is coming by for the plant for a “quality audit.” Another is expected to place an order soon, but nothing firm yet.

Obviously, neither he nor his colleagues predicted anything like the disaster that befell the economy.

Midway through 2008, Katana was so bullish that it spent \$5 million doubling the size of its Columbus plant. And it has always paid its employees about 25 to 50 cents an hour more than most companies in town, Mr.

Strudthoff says, a premium large enough for other Columbus C.E.O.'s to razz him about it in social settings.

But he thinks wind power is a good long-term bet, and he sees Katana's current travails as a problem that will pass soon enough. Exactly how soon is still unknown. As of Friday evening, the fate of that order for 225 towers was up in the air. "Unfortunately," Mr. Strudthoff wrote by e-mail, "we're still waiting."

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