

# Research Presentation: New Mexico's Growth Opportunities and Strategic Priorities



Presented By Ted Abernathy, Future Forum 2026



## THE NEW MEXICO ADVANTAGE: UNLOCKING THE NEXT GENERATION OF INDUSTRY

A DATA-DRIVEN ROADMAP TO GROW HIGH-WAGE INDUSTRIES  
AND STRENGTHEN STATEWIDE COMPETITIVENESS

MAY 2026



STRATEGIC ACTIONS  
TO WIN IN THE NEXT  
GENERATION OF INDUSTRY

WHERE NEW MEXICO'S  
NEXT \$9B IN GROWTH IS  
ALREADY TAKING SHAPE



# ARIZONA WINS

WINNING THE NEXT DECADE AND BEYOND



## VISION 2033

BLUEPRINT FOR COLORADO'S FUTURE

EXPECT MORE AND ACHIEVE MORE

# ACTIONS FOR A MORE COMPETITIVE OKLAHOMA

AUGUST 2025



## Blueprint for New York – Creating a Roadmap for Change

Prepared for: The Public Policy Institute of New York

September 2025



We have completed dozens of strategic plans that involve multiple stakeholders.





ECONOMIC  
LEADERSHIP

# ECONOMICALLY COMPETITIVE.

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A state is economically competitive when it can **attract, grow, and retain** businesses, talent, investment, and innovation while improving the standard of living for its residents over time.



BUSINESSES



TALENT



INVESTMENT



INNOVATION

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ATTRACT. GROW. RETAIN. IMPROVE.

---

**Creating more opportunity.** Growing incomes and wealth.  
A place where businesses and people **choose** to locate,  
stay, and expand.

# Being Competitive



Marathon



Scores are kept



Lots of competition



# PLACE BASED COMPETITIVENESS



# RISK IMPACTS AS COMPETITIVENESS FACTORS

Managing risks today. Strengthening competitiveness tomorrow.



## BUSINESS CLIMATE



**Crime Rates**



**Fiscal Stability**



**Policy Volatility**



**Policy Uncertainty**



**Permitting Delays**



## WORKFORCE



**Out-migration**



**Training Budget Reductions**



**New Competition**



## INFRASTRUCTURE



**Unaffordability**



**Weather Impacts**



**Overgrowth**



## INNOVATION



**Outmigration**



**College Struggles**



**Funding Cuts**



# ALL STRATEGY STARTS WITH A PROCESS

A clear path from understanding today to achieving tomorrow.

1

FIRST,

## DETERMINE YOUR CURRENT REALITY

Understand where you are today by assessing:



Your Strengths



Your Weaknesses



Your Current and Future Opportunities



Your Current and Future Threats



2

SECOND,

## DETERMINE YOUR GOALS FOR THE FUTURE

Define where you want to go and what success looks like.



3

THIRD,

## IDENTIFY REALISTIC ACTIONS YOU CAN TAKE

Develop and execute realistic actions that move you or your organization from where you are to where you want to be.



STRATEGY IS ALWAYS MAKING CHOICES,  
NEVER ABOUT MAKING LISTS.

# What is Your Current Economic Reality and Inertia?

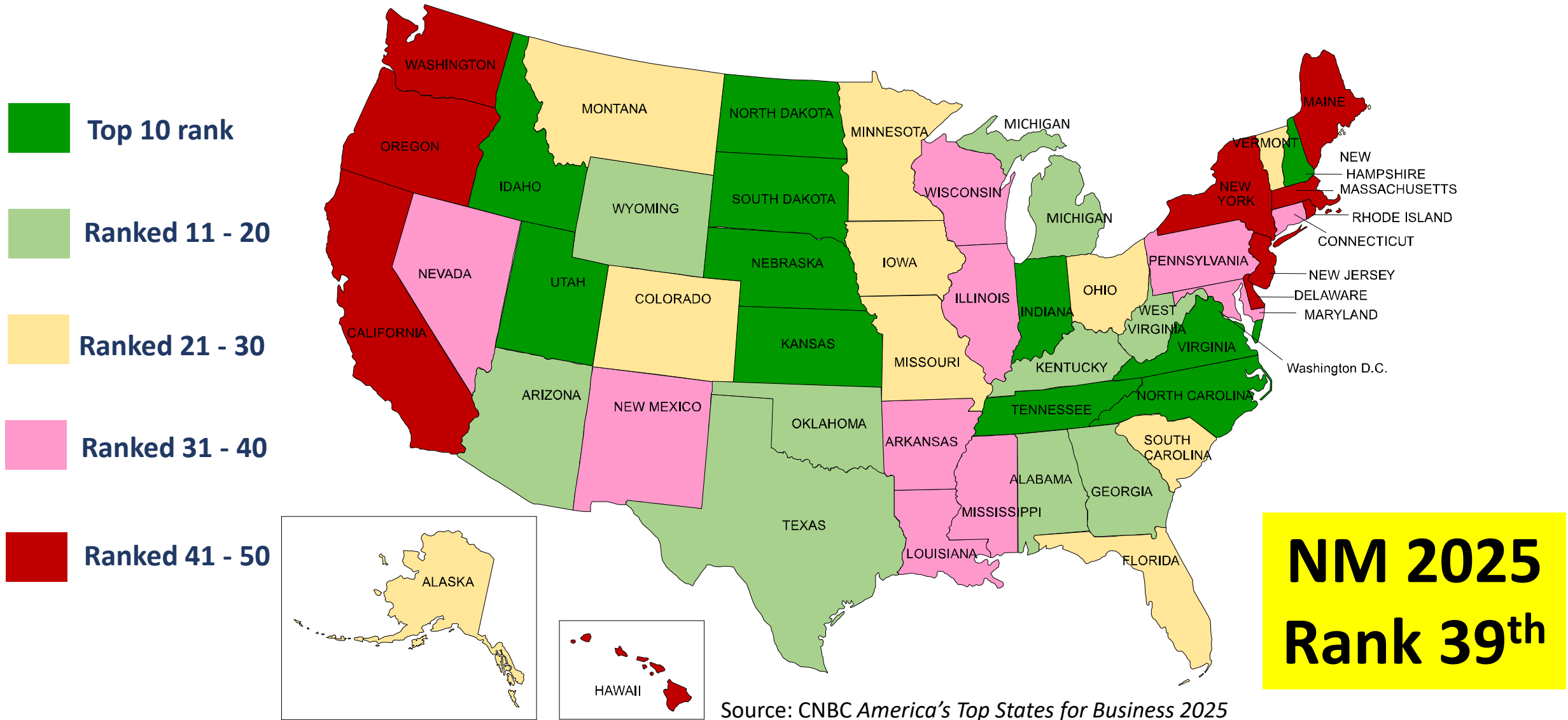


Rankings and Results





# “Business Friendliness” Ranking 2025

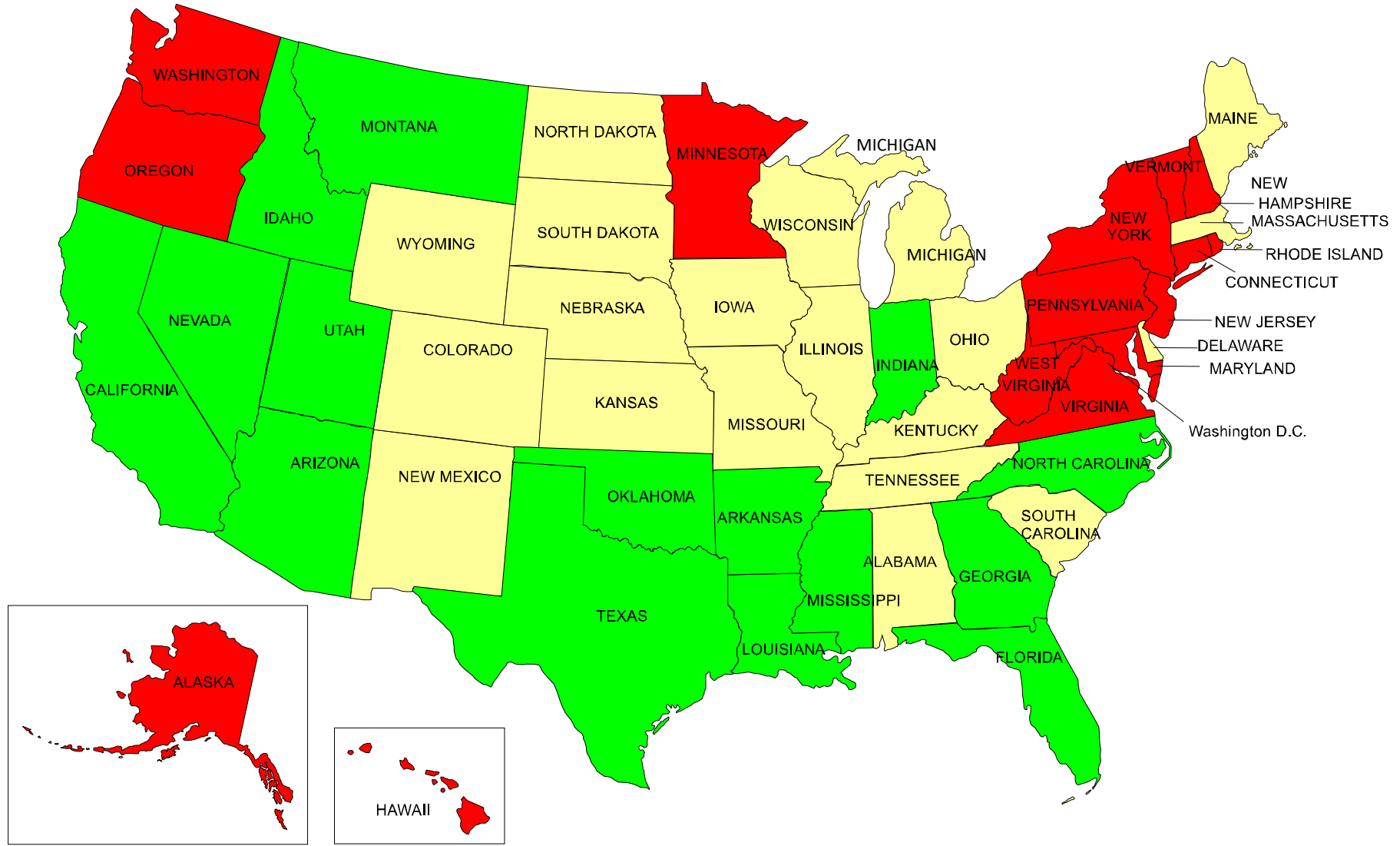


CNBC defines business friendliness as a state's legal and regulatory framework that does not overburden business



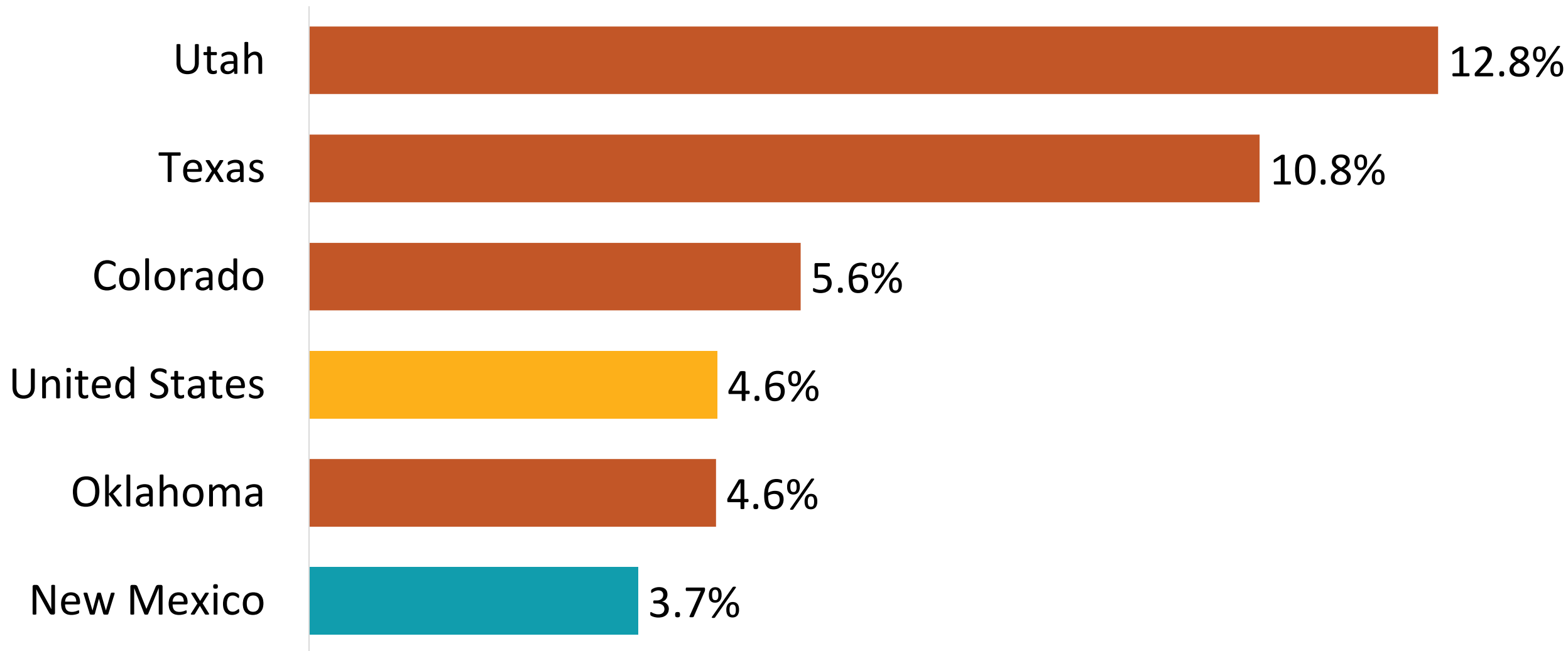
# 2026 Best & Worst States to Start a Business

-  15 Best States to Start a Business
-  15 Worst States to Start a Business



**New Mexico  
Rank 20<sup>th</sup>**

# Percent Job Change, 2019 - 2025

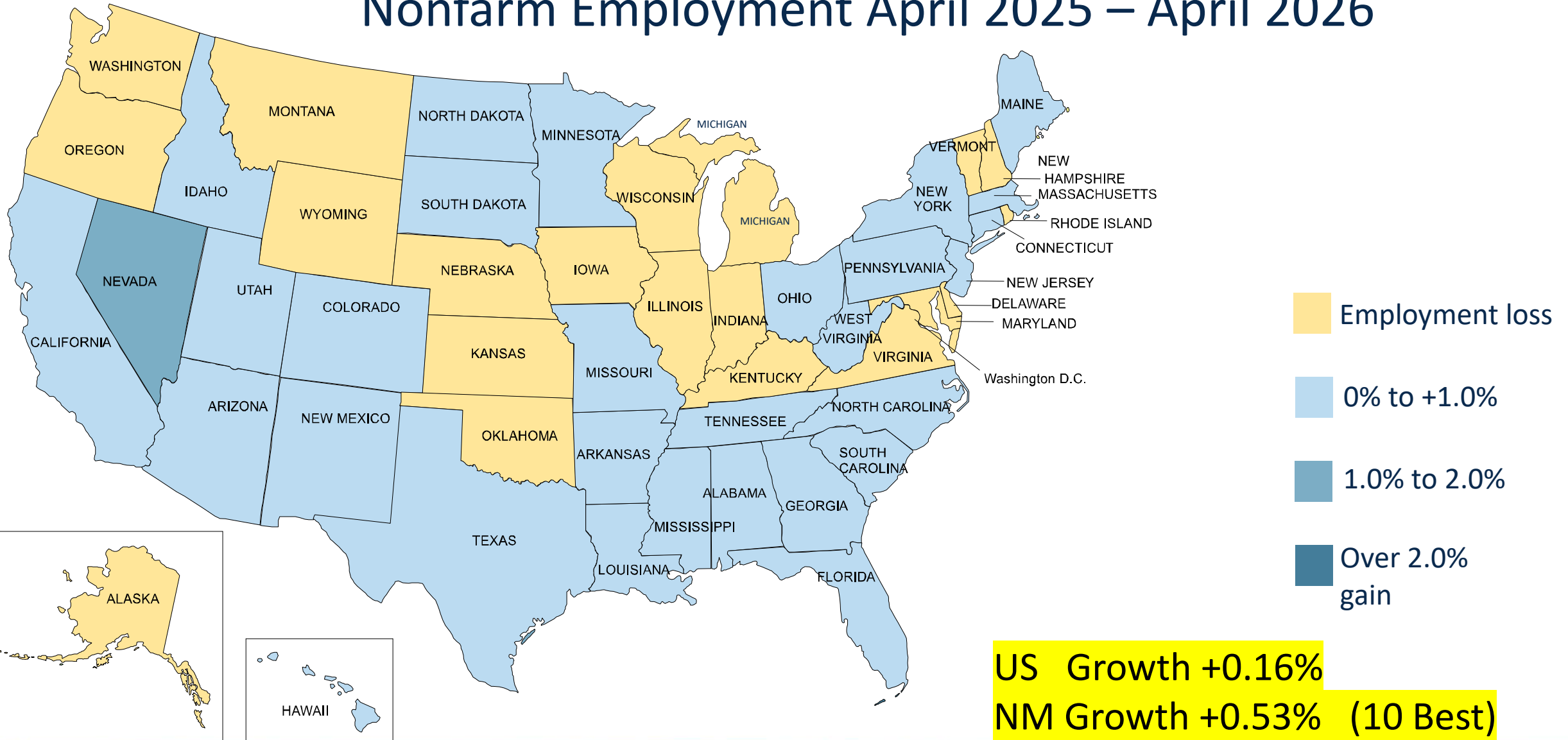


Source: EL calculations based on Lightcast 2026.1



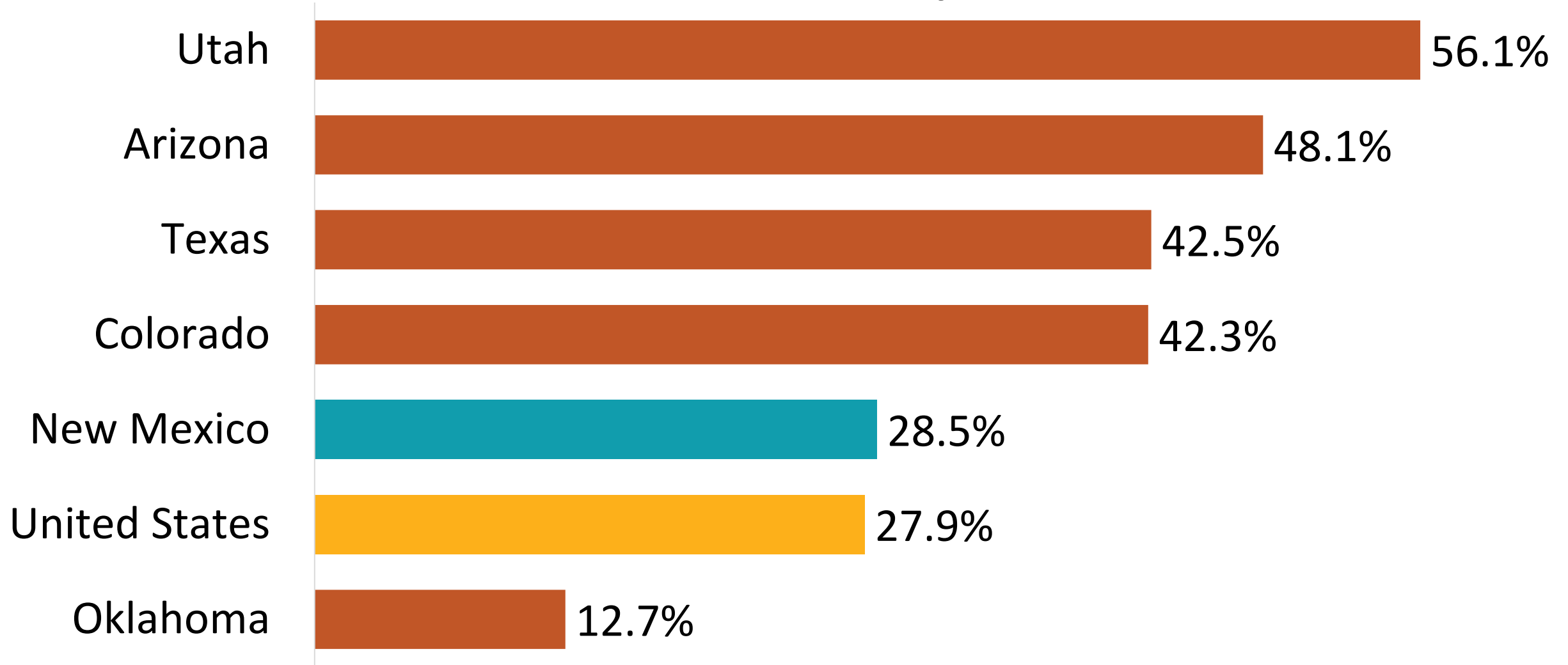


# Nonfarm Employment April 2025 – April 2026



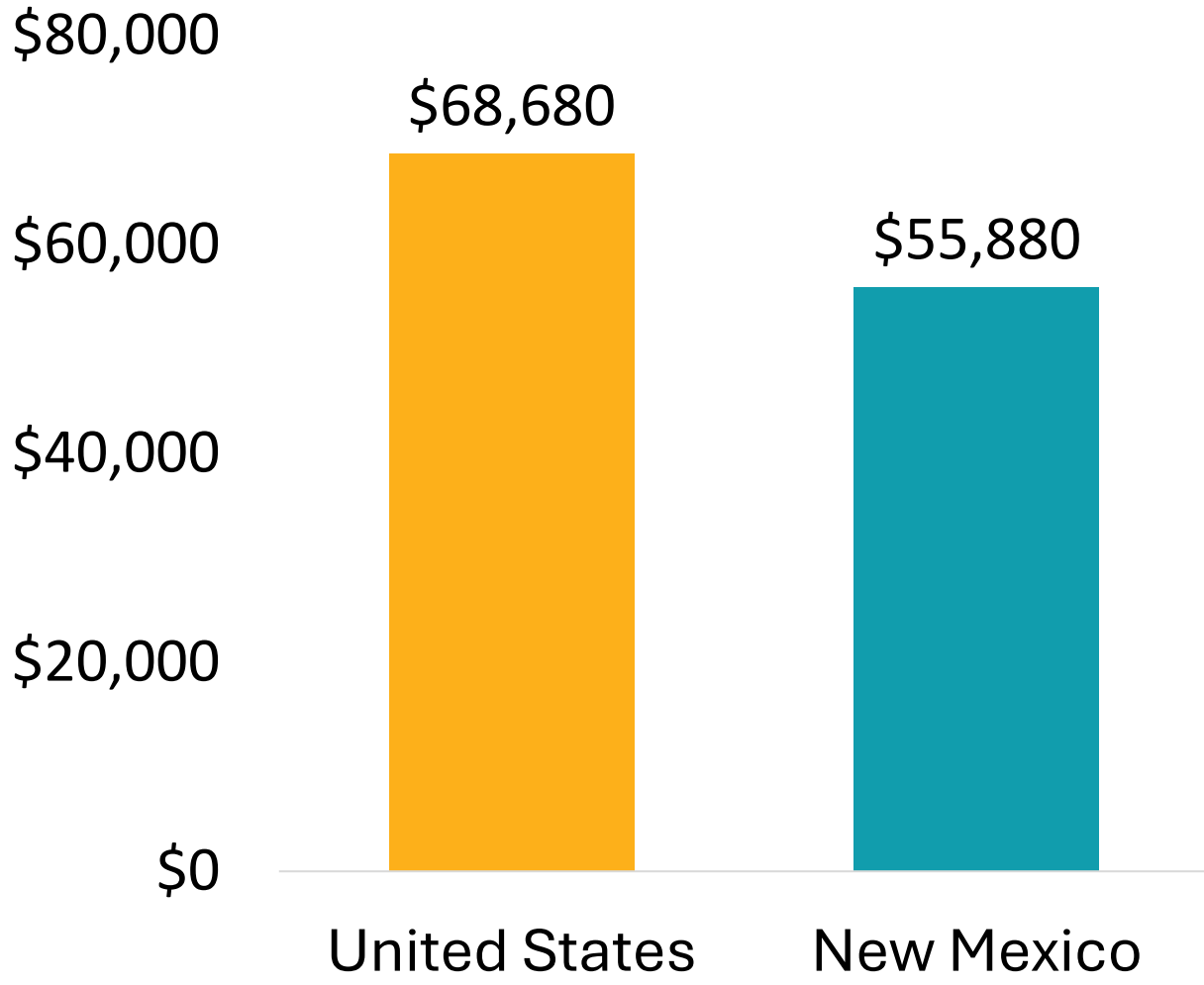
Source: U.S. Bureau of Labor Statistics

# Real GDP Growth, 2014 - 2024

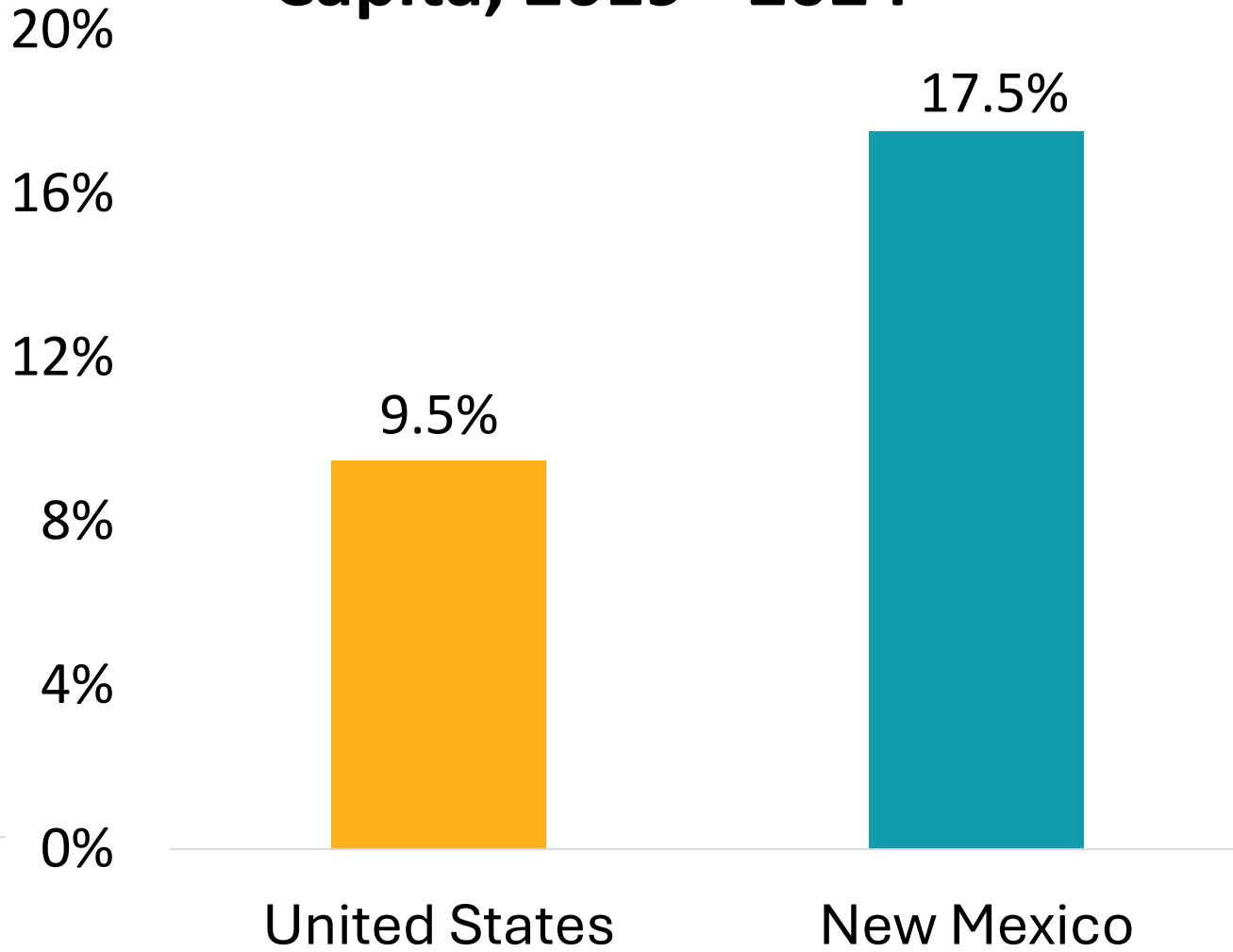


Source: US Bureau of Economic Analysis (2025)

# Real GSP Per Capita, 2024



# Change in Real GSP Per Capita, 2019 - 2024



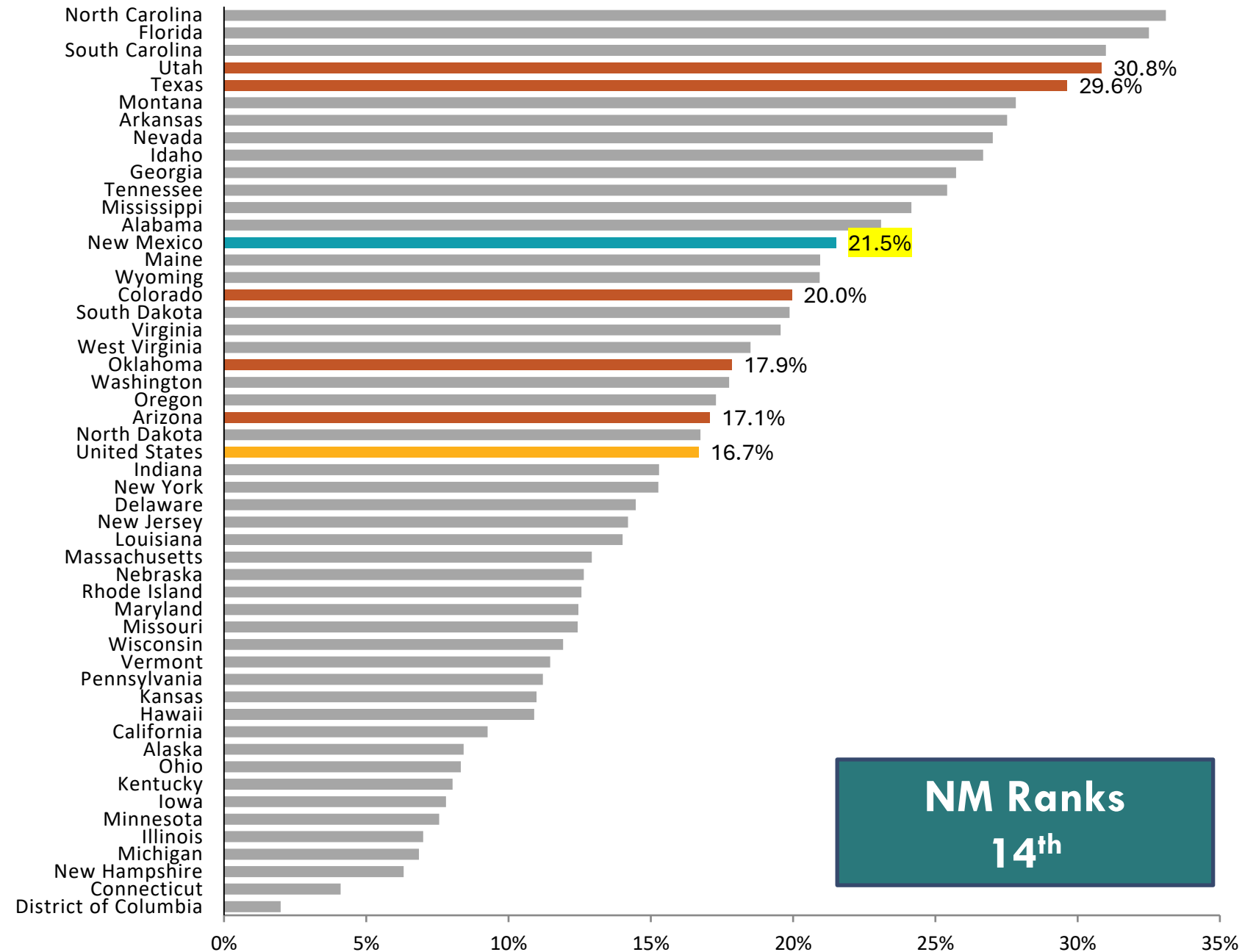
Source: US Bureau of Economic Analysis (2025)



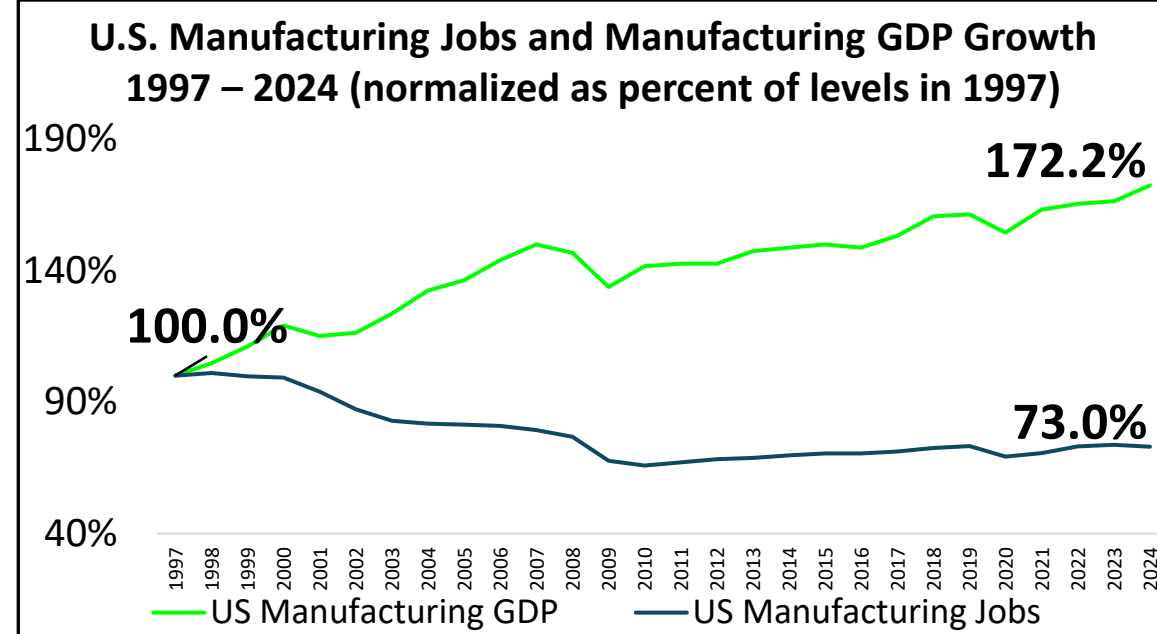
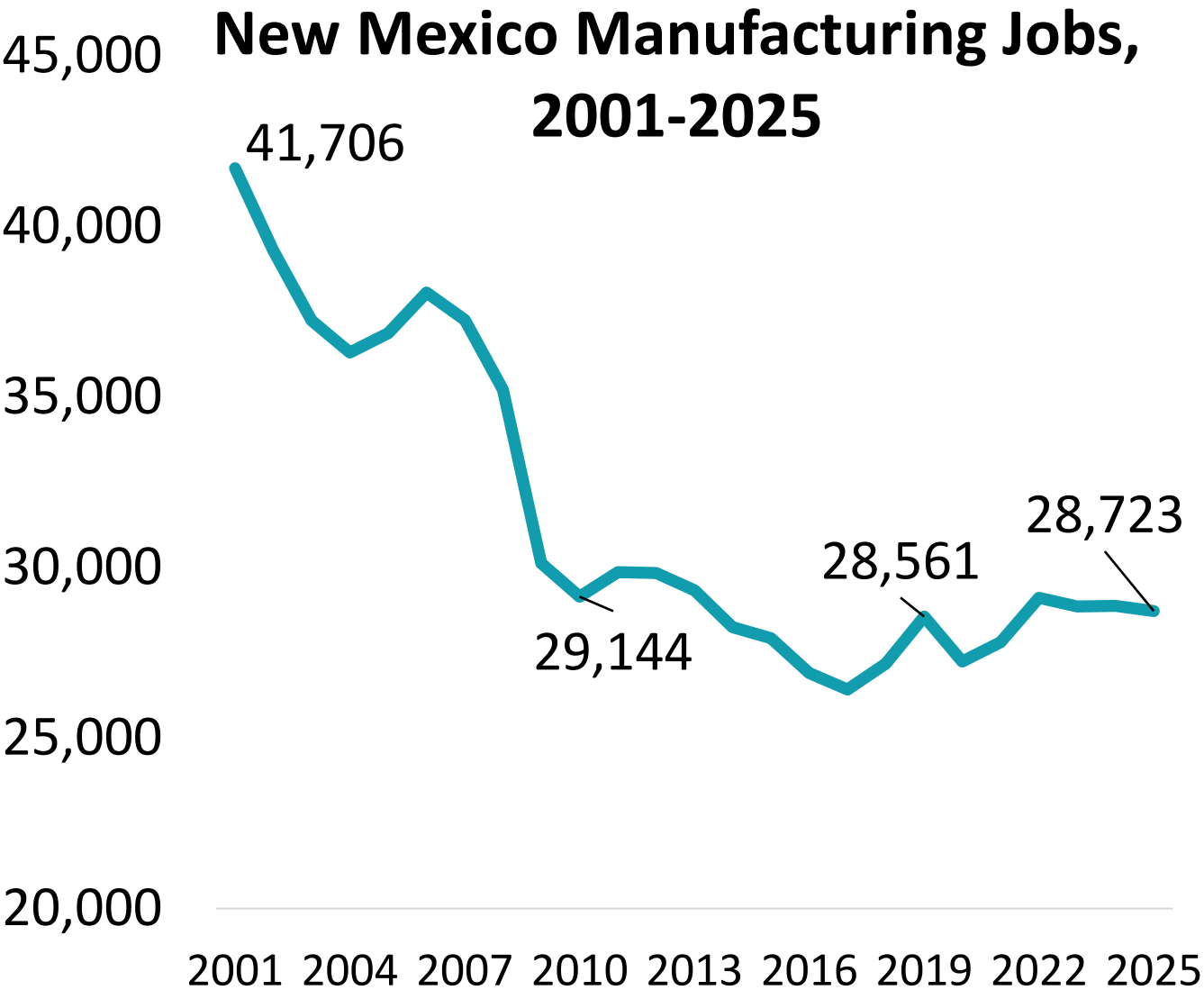


Tech occupations are the jobs that require technology skills regardless of the industry they are employed in.

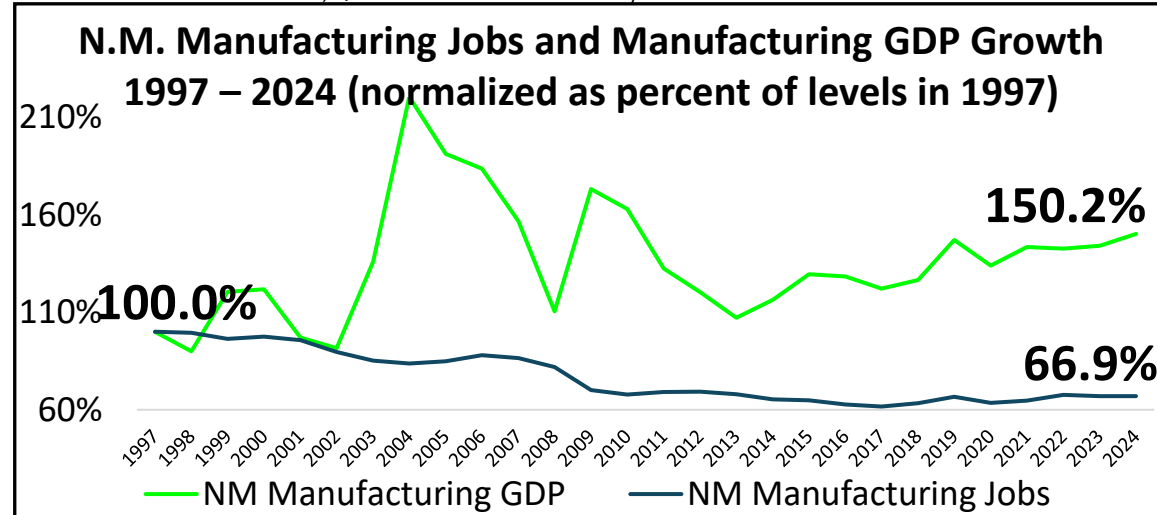
### Tech Occupations Job Change, 2019-2025



**NM Ranks**  
**14<sup>th</sup>**



Source: Bureau of Labor Statistics, QCEW & Bureau of Economic Analysis



Source: Lightcast 2026.1



# New Mexico's Current Economic Reality and Inertia



New Mexico's economy has grown over the past decade but at rates slower than neighboring states and in some cases below the national average



New Mexico's total real annual economic output has grown by 29 percent since 2014 – middle of the pack nationally but a much slower rate of growth than in Arizona, Utah, Colorado and Texas



New Mexico added jobs more slowly than all five surrounding states since 2019 and only exceeded Oklahoma's rate of job growth since 2015



New Mexico's manufacturing lags national averages in both manufacturing job growth and in manufacturing production outputs



Higher-wage, higher-skilled "advanced industries" jobs have grown at a rate 50 percent higher than the U.S. and comparable to or ahead of surrounding states



Tech employment has grown 2.3 percent faster in New Mexico than in the nation since 2018



# ECONOMIC COMPETITIVENESS

## ASSETS AND GAPS



### ASSETS

Areas of Opportunity  
to Promote and Build Upon



### GAPS

Areas to Address

## Core Strategic Assets:

- **World-Class Research & Development:** New Mexico leads the nation in research and development (R&D) funding as a percentage of the state's GSP, driven by federal investment in three national laboratories.
- **Significant Defense Facilities:** Home to Holloman, Cannon and Kirtland Air Force Bases as well as Melrose and White Sands Missile Ranges, New Mexico has a strong base of Federally-funded defense installations that impact the state's overall economy and **provide a foundation of talent, facilities and expertise.**

# Core Strategic Assets:

- **Entrepreneurial Momentum:** The state ranks ninth in the nation for new business formations since 2020
- **Financial Stability:** The state's **Sovereign Wealth Fund**, with over \$66 billion in managed assets, provides a stable fiscal foundation and a source for early-stage capital.
- **Competitive Costs:** New Mexico offers industrial energy costs significantly lower than the national average and those of neighboring competitors like Arizona and Colorado.

# Critical Competitiveness Gaps & Liabilities

**Lagging Workforce Participation and Population Growth:** At 57.7 percent, New Mexico's labor force participation rate is in the bottom 10 among all states. Compounding this, its population has grown by only 0.5 percent since 2020, far behind the national rate of 2.6 percent, limiting the available talent pool.

**Deficient K-12 Educational Outcomes:** U.S. News & World Report ranked New Mexico last among all states for PreK-12 education. This is driven by low college readiness, poor math and reading scores, and a high school graduation rate of 78.05 percent—nearly nine percentage points below the U.S. average.

# Critical Competitiveness Gaps & Liabilities

**Challenging Business and Regulatory Climate:** The state ranks 44th overall in CNBC's "Top States for Business," with a particularly low rank for Access to Capital (46th). Stakeholders consistently cite uncertain regulatory processes and a sales tax structure that resembles a gross receipts tax as significant impediments.

**High Crime Rates:** Public safety remains a major concern. The state had the second-highest rate of violent crime and the highest rate of property crime in the nation, impacting both quality of life and the ability to attract talent.

**Infrastructure Deficits:** New Mexico ranks 42nd overall for infrastructure, according to U.S. News. Challenges include limited broadband access, worsening housing affordability, and a road infrastructure system ranked 48th in the nation.

# ROADMAP FOR ECONOMIC TRANSFORMATION



## Addressing Statewide Competitiveness:

Building a stronger foundation through regulatory improvements, talent retention and attraction and investments in infrastructure and innovation.



## Strengthening the Ecosystem:

Building collaboration across business, education, government, and communities.



## Sector-Specific Investments:

Diversify the state economy by targeting high-growth sectors to drive innovation, productivity, and inclusive prosperity.



INFLECTION POINT  
DIVERSIFICATION

NEW MEXICO'S  
*ECONOMIC FUTURE*



*OPPORTUNITIES  
CHALLENGES  
CHOICES*



**ECONOMIC**  
LEADERSHIP

## The Scale of the Opportunity

The analysis identifies four emerging sectors that are already outperforming national averages and represent a significant engine for high-wage, private-sector job creation:

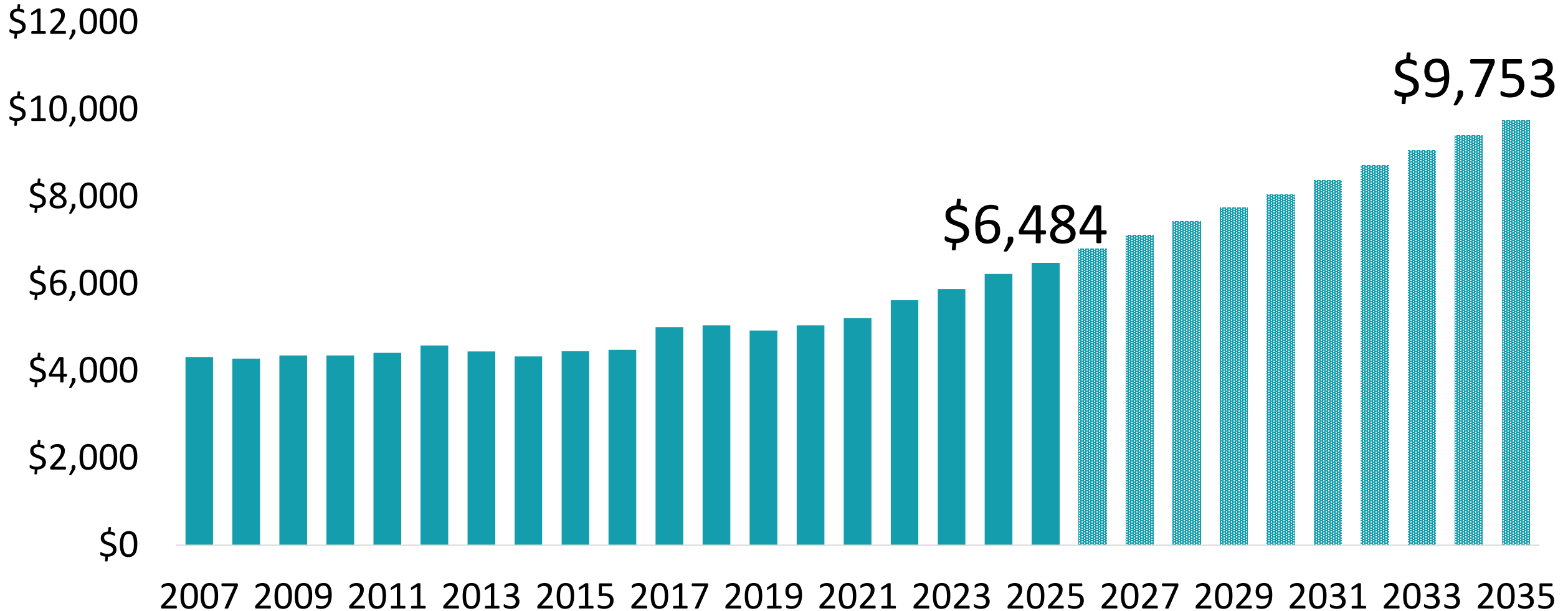
- **Quantum and Advanced Computing:** Contributing **\$6.5 billion** (5 percent of the state's total economy referred to as New Mexico's Gross State Product or GSP) in private sector activity, this **is the state's largest emerging sector**, anchored by world-class research and development at Sandia and Los Alamos National Laboratories.
- **Intelligent Manufacturing:** This sector contributes **\$4.1 billion** (3.1 percent of GSP) and is **predicted to have the 3<sup>rd</sup> fastest job growth rate in the next ten years across all states.**
- **Advanced Energy:** Representing **\$2.0 billion** (1.6 percent of GSP), **New Mexico ranks second in the nation for advanced energy job growth since 2020.**
- **Space, Aerospace, and Defense:** While the smallest current contributor at **\$174 million**, in private-sector economic activity, it is **projected to be the fastest-growing sector from a job growth perspective with a 34 percent increase by 2035.** Additionally, the many publicly-funded defense installations in New Mexico are some of the state's largest employers and contribute billions in additional economic impact for the state.

# Understanding the **Quantum & Advanced Computing Sector**

<b>Sub-Sector Component</b>	<b>2025 GSP</b>	<b>% of NM Total GSP</b>
Telecommunications & Network Infrastructure	\$2,416,930,500	1.86%
Software, AI, and Systems Development	\$1,287,977,300	0.99%
Engineering Services	\$1,155,571,200	0.89%
Semiconductor and Computing Hardware	\$1,120,675,200	0.86%
Data Infrastructure, Cloud & Hosting	\$412,149,500	0.32%
Emerging & Adjacent Computing Domains	\$91,151,000	0.07%
<b>Total Sector Impact</b>	<b>\$6,484,454,700</b>	<b>4.99%</b>

# New Mexico Advanced Computing Industries GSP

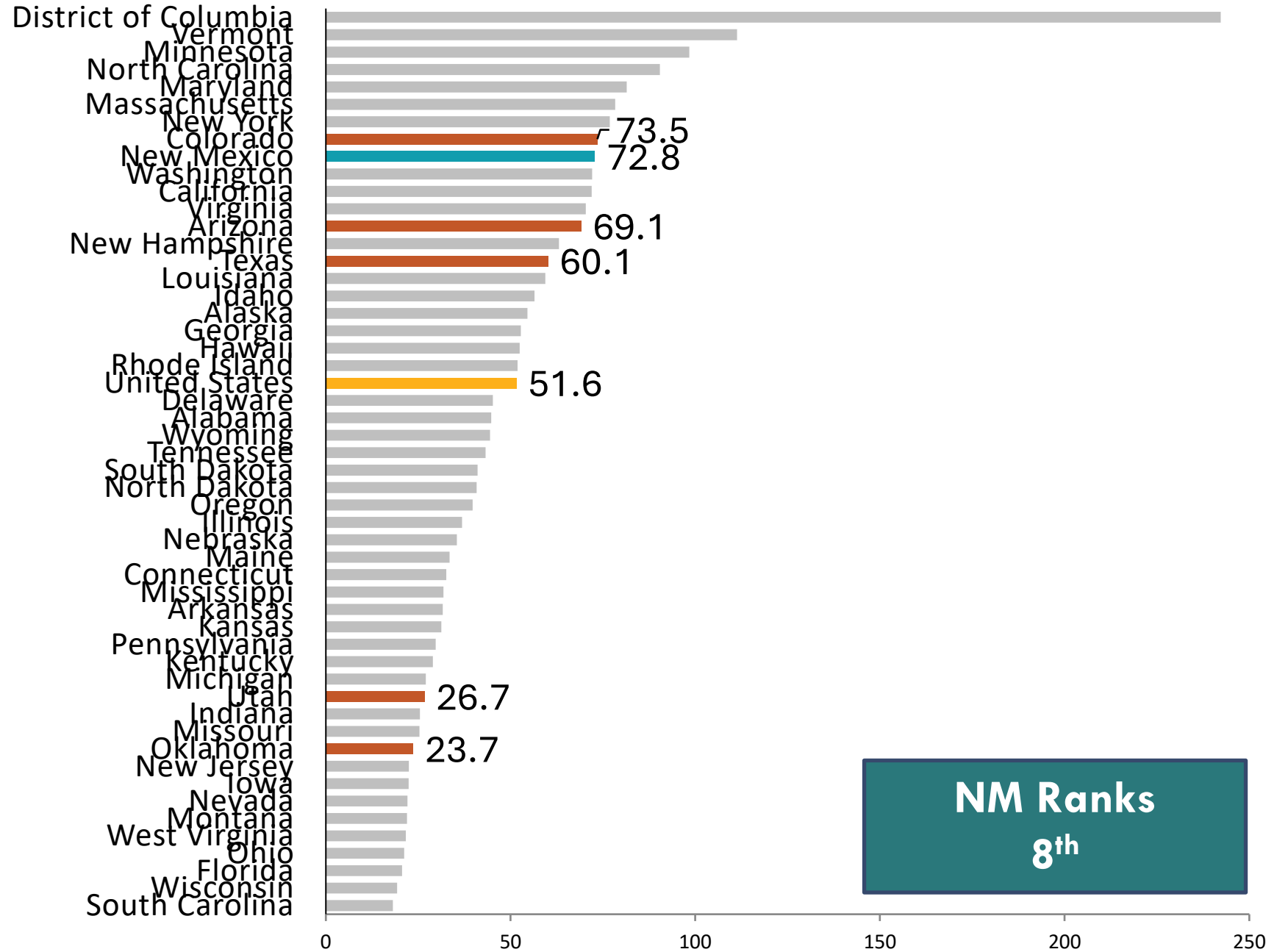
million\$



Source: EL calculations based on Lightcast 2026.1

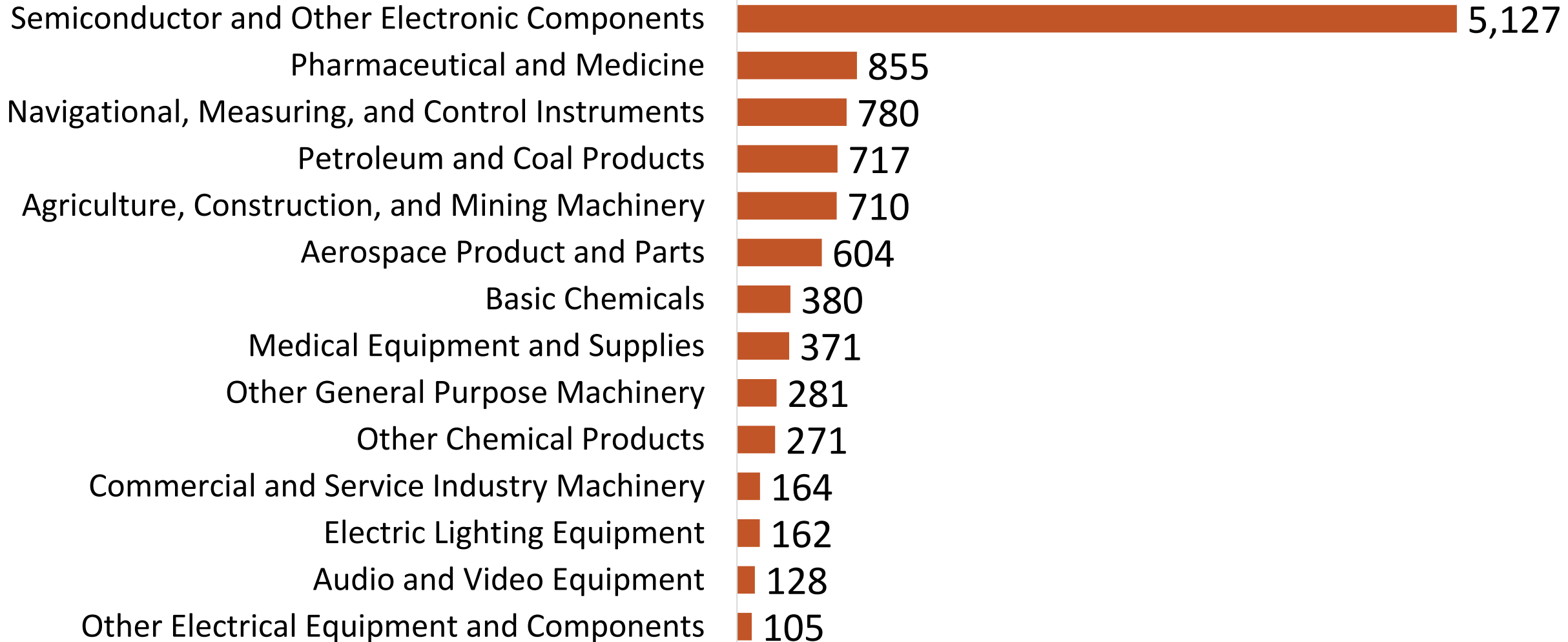
# Quantum Computing Job Postings per 100,000 Jobs Jan 2019 – Oct 2025

Quantum Computing Job Postings Per 100,000 Jobs, Jan 2019 - Oct 2025



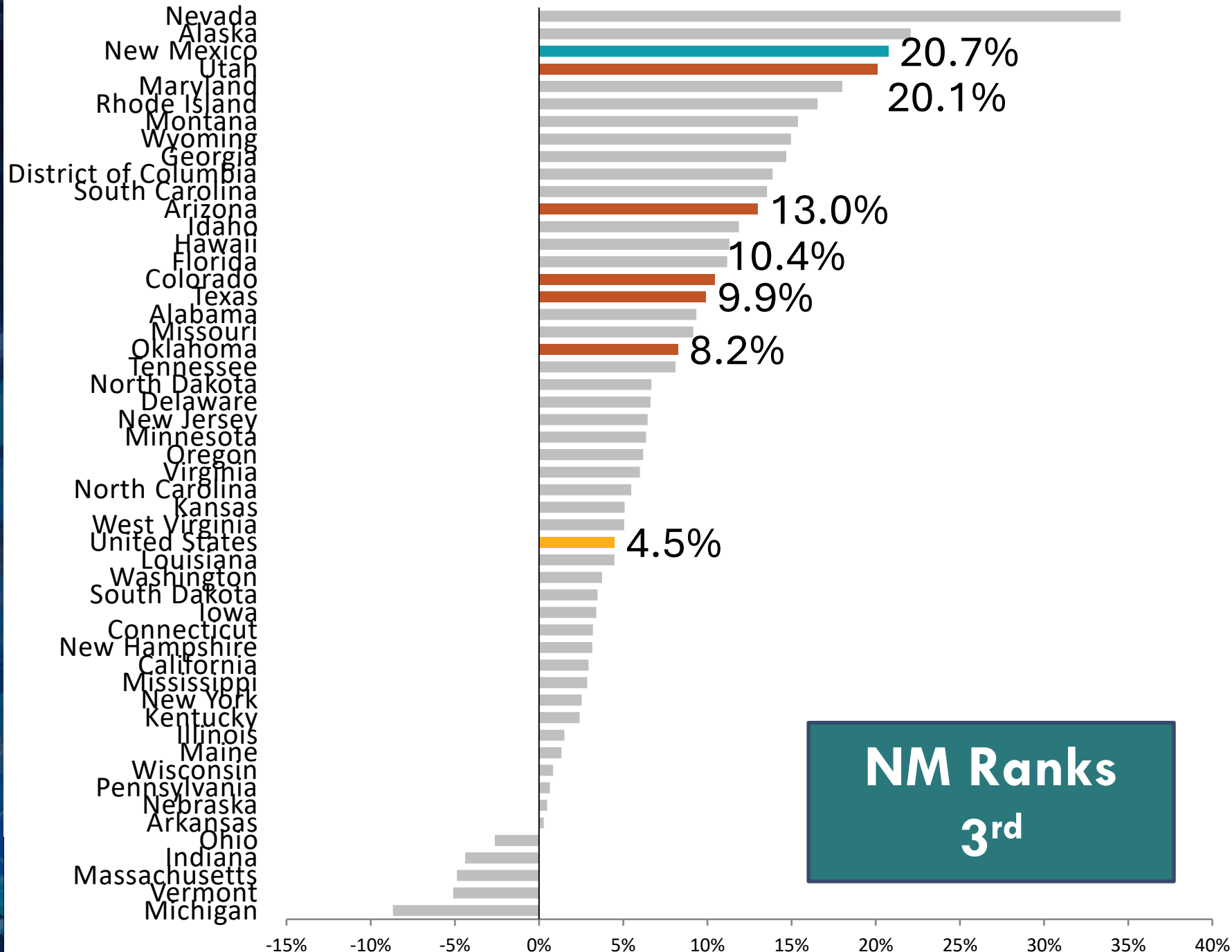
**NM Ranks 8th**

# Top **Intelligent Manufacturing Industries** by Employment 2025



Source: EL calculations based on Lightcast 2026.1

# Intelligent Manufacturing Industries Predicted Job Change 2025-2035

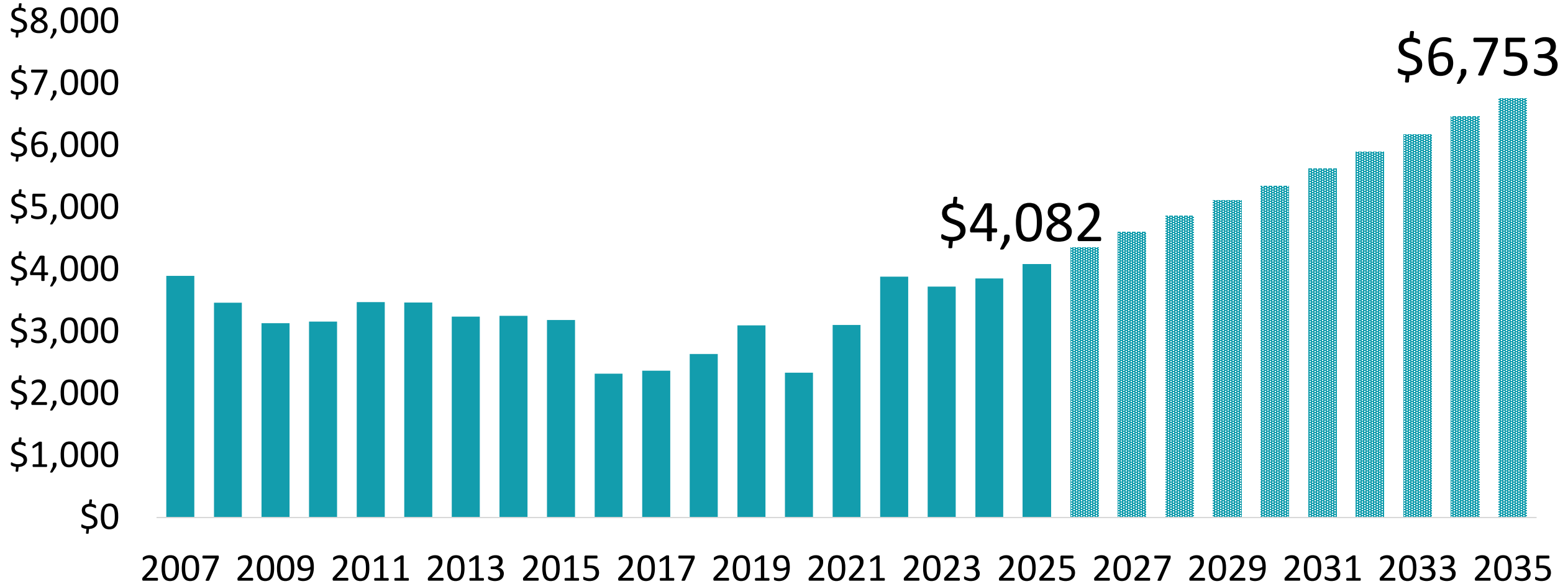


**NM Ranks 3rd**

Source: EL calculations based on Lightcast 2025.4

# New Mexico Intelligent Manufacturing Industries GSP 2025

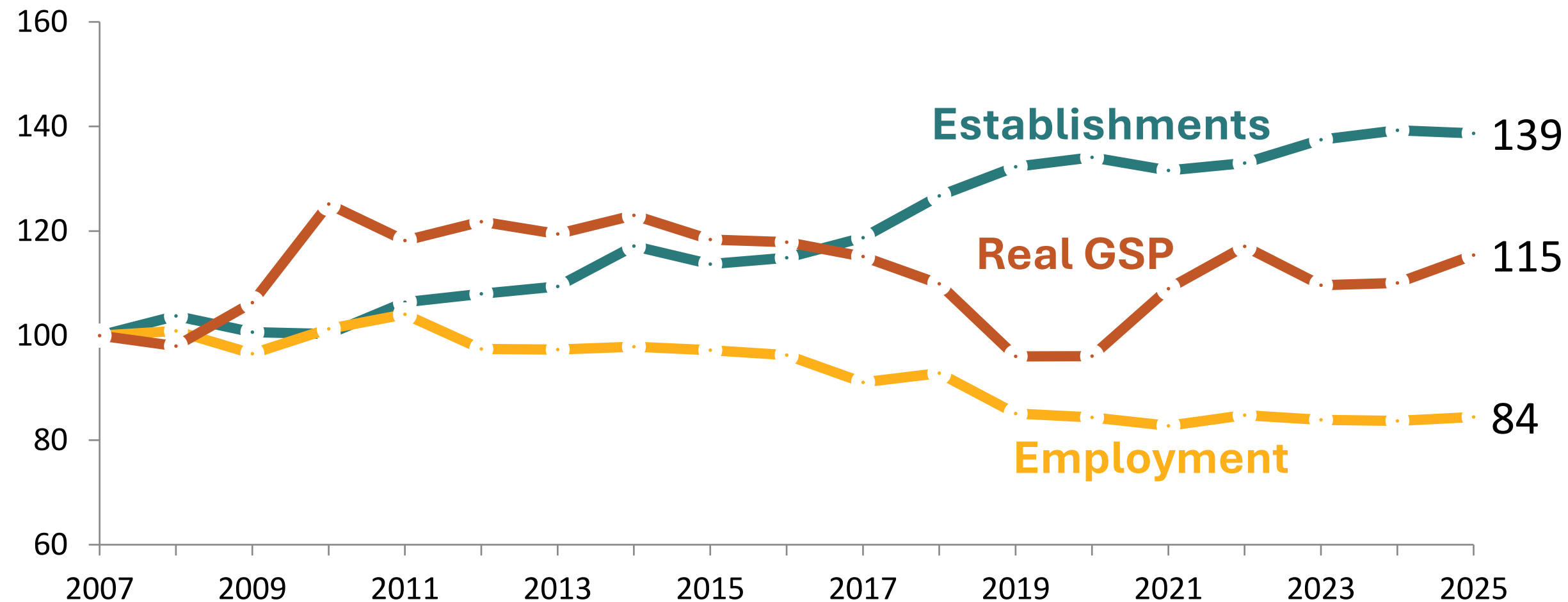
million\$



Source: EL calculations based on Lightcast 2026.1

# New Mexico **Advanced Energy** Growth Metrics

100 = 2007 levels

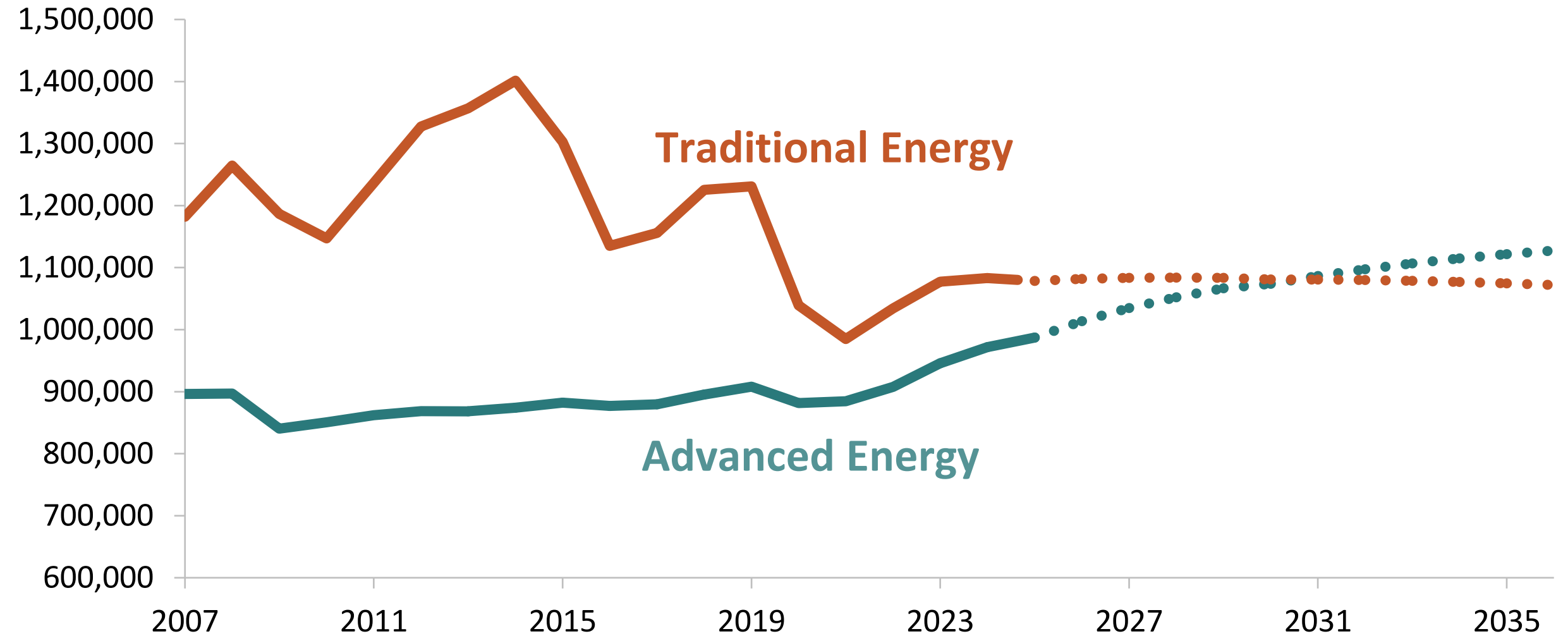


Source: EL calculations based on Lightcast 2026.1

# Understanding the Advanced Energy Sector

Key Energy Sub-Sectors	2025 GRP	% of NM Total GDP
Electric Power Distribution	\$1,455,193,500	1.12%
Environmental Consulting Services	\$176,319,400	0.14%
Wind Electric Power Generation	\$128,697,100	0.10%
Electric Bulk Power Transmission	\$94,339,200	0.07%
Solar Electric Power Generation	\$87,006,600	0.07%
All Other Generation & Manufacturing	\$102,943,500	0.08%
<b>Total Sector Impact</b>	<b>\$2,044,499,300</b>	<b>1.57%</b>

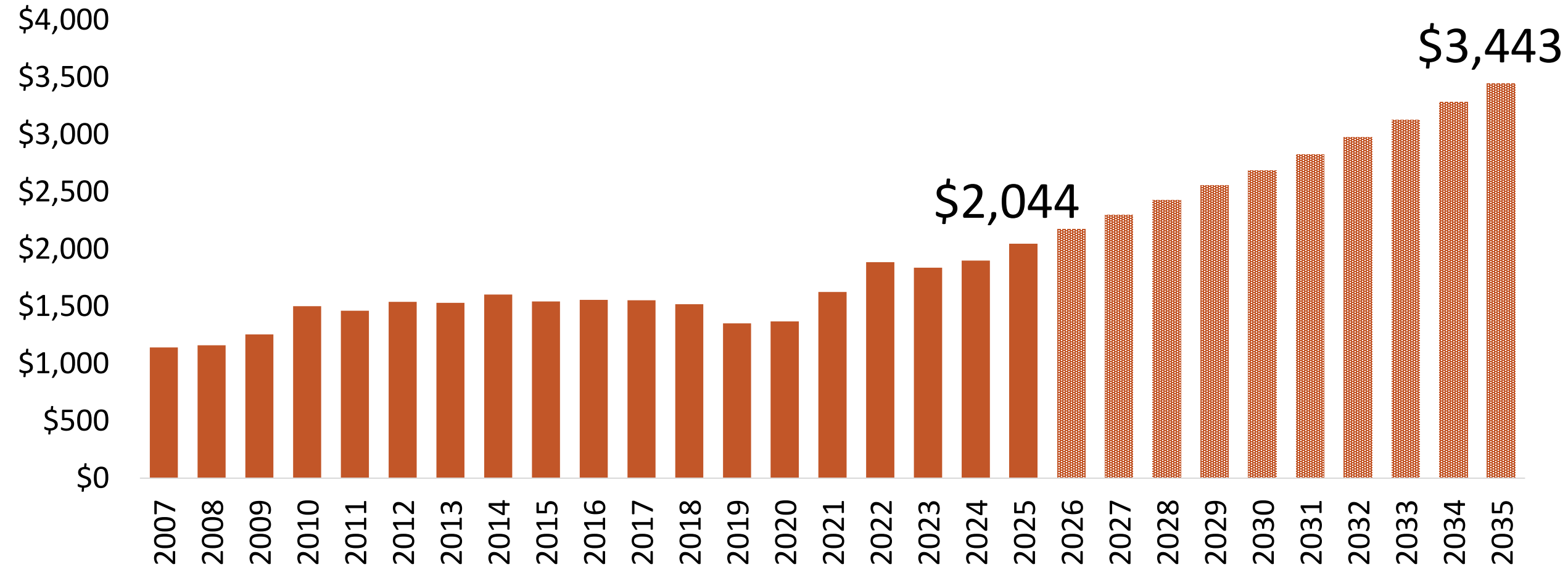
# US Energy Historical and Projected Employment



Source: EL calculations based on Lightcast 2026.1

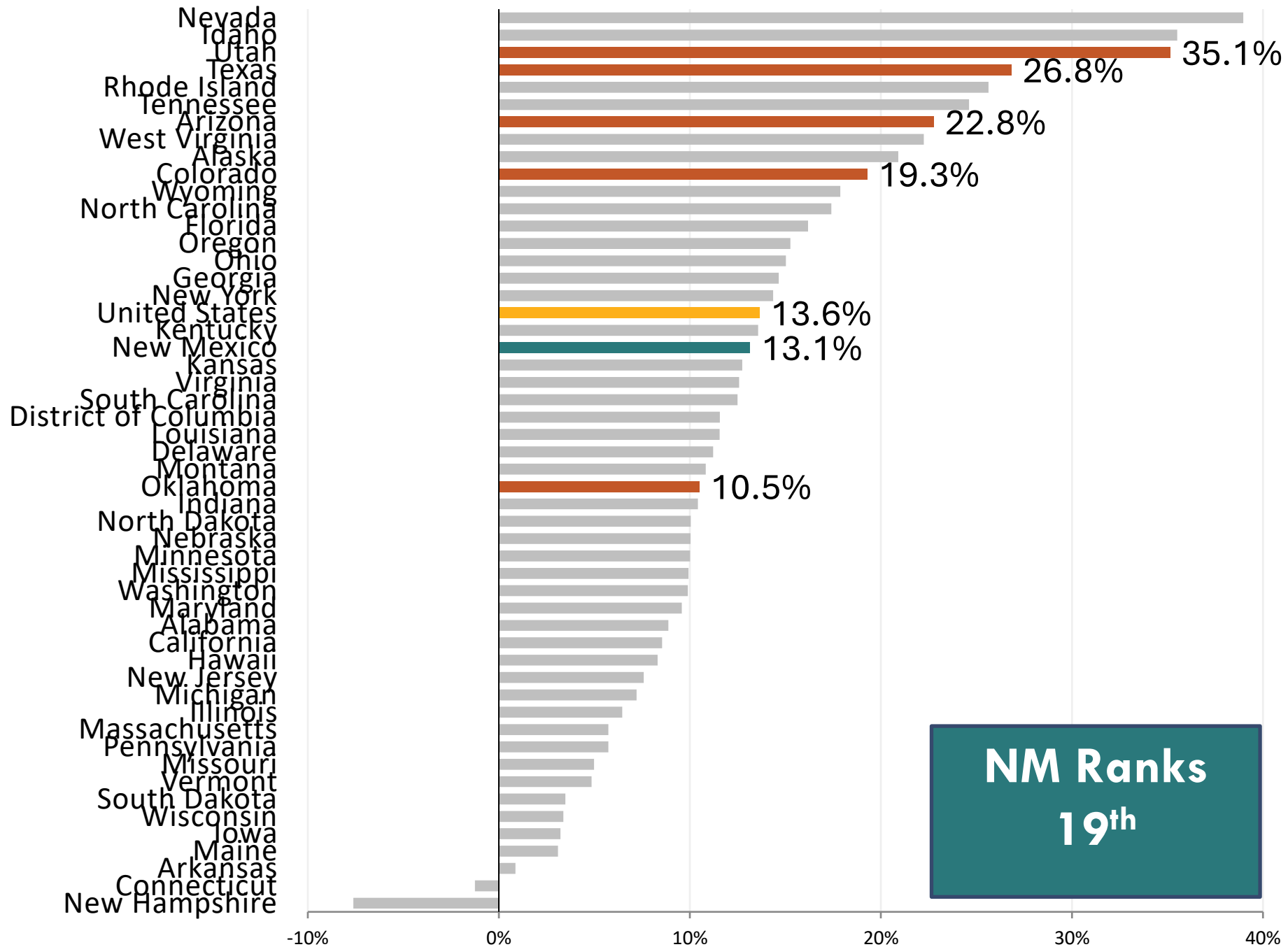
# New Mexico Advanced Energy GSP

million\$



Source: EL calculations based on Lightcast 2026.1

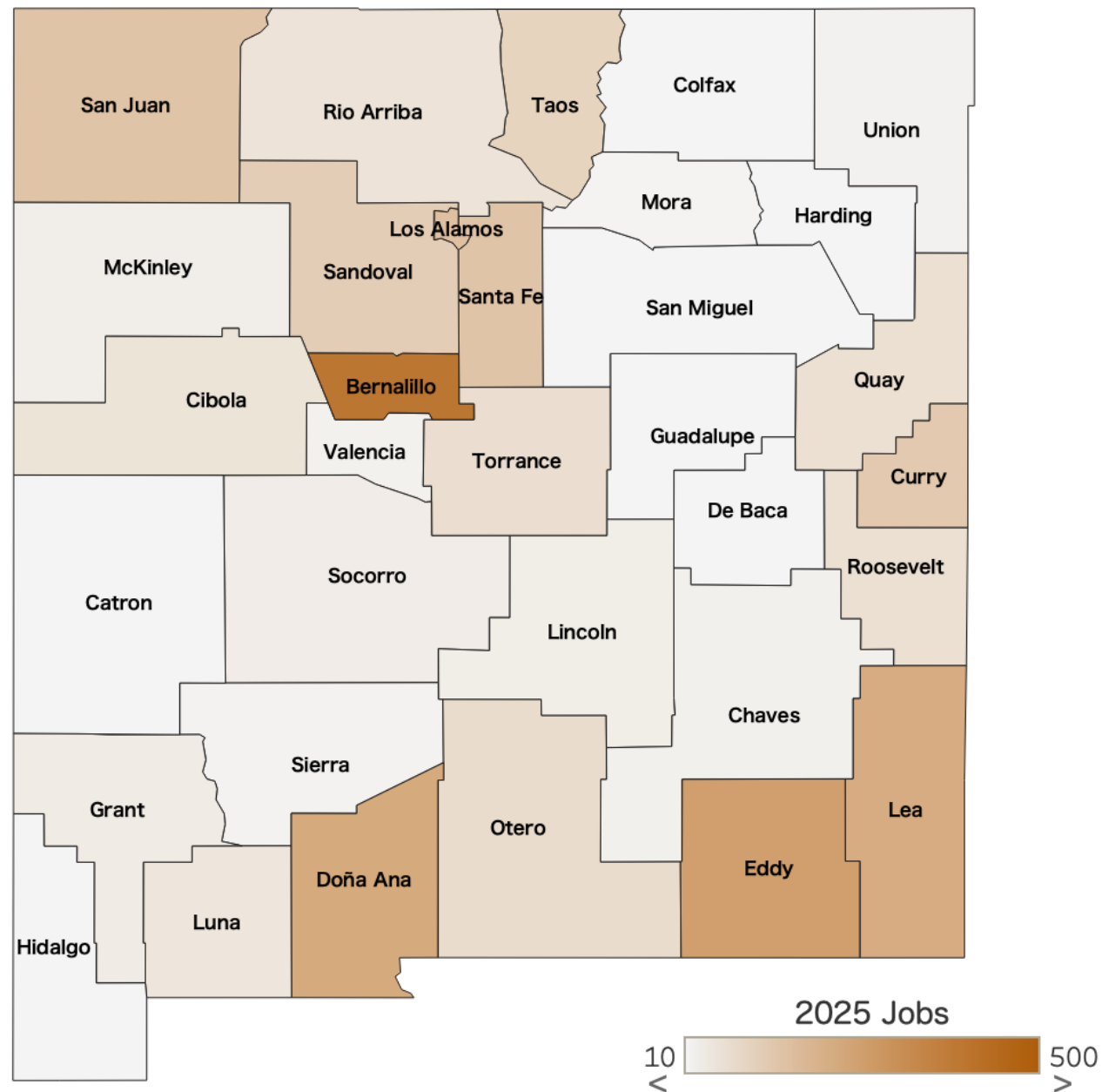
# Advanced Energy Job Change Projections 2026-2035



**NM Ranks  
19<sup>th</sup>**

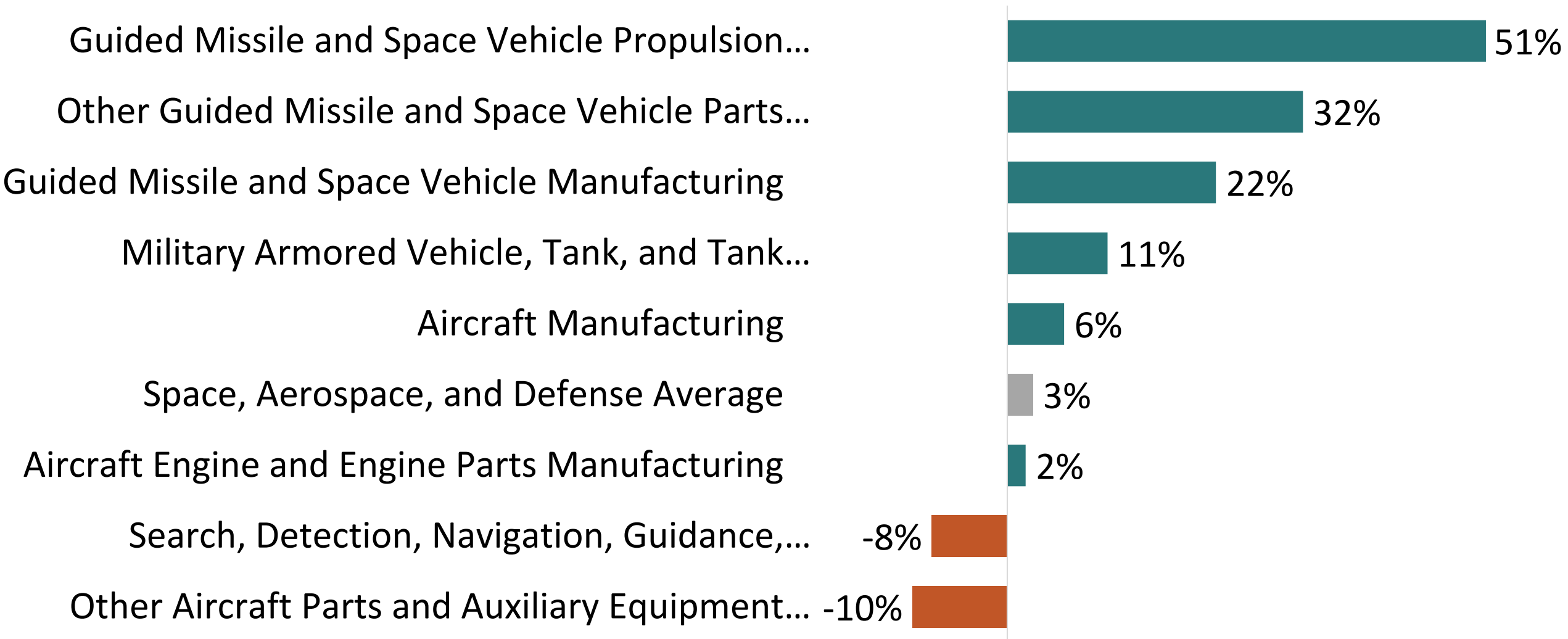
Source: EL calculations based on Lightcast 2026.1

# Advanced Energy Employment by County 2025



Source: EL calculations based on Lightcast 2026.1

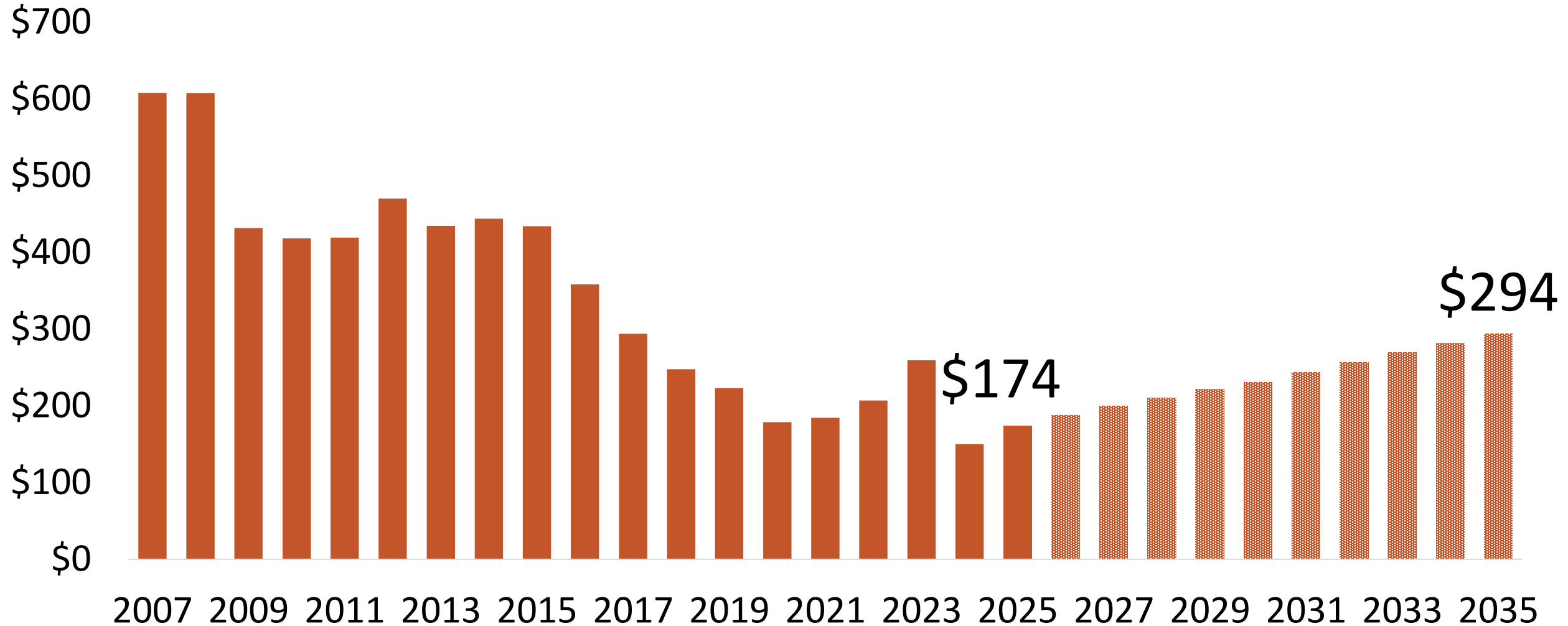
# US Space, Aerospace & Defense Percent Job Change 2019-2025



Source: EL calculations based on Lightcast 2026.1

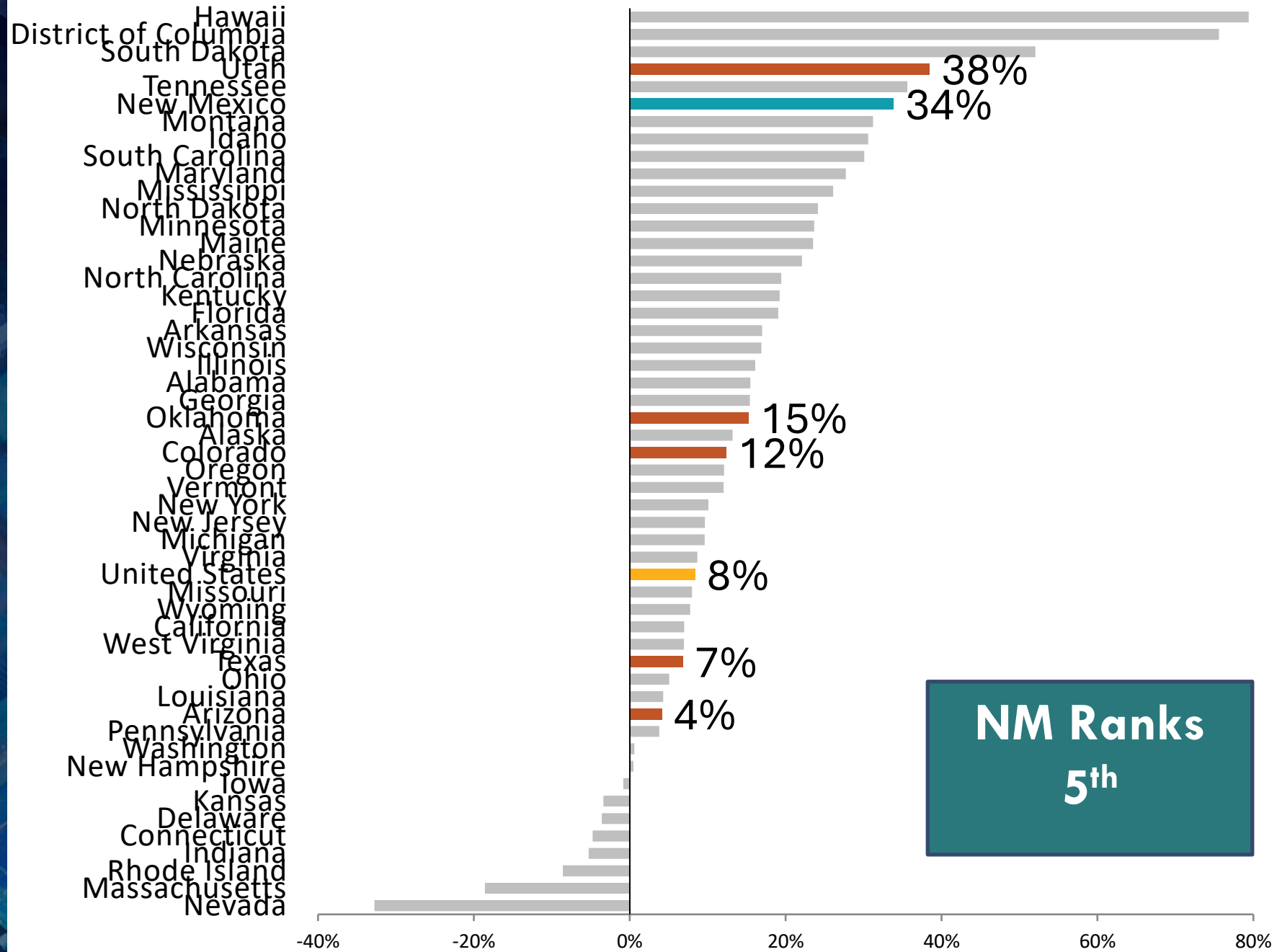
# New Mexico Space, Aerospace and Defense GSP

million\$



Source: EL calculations based on Lightcast 2026.1

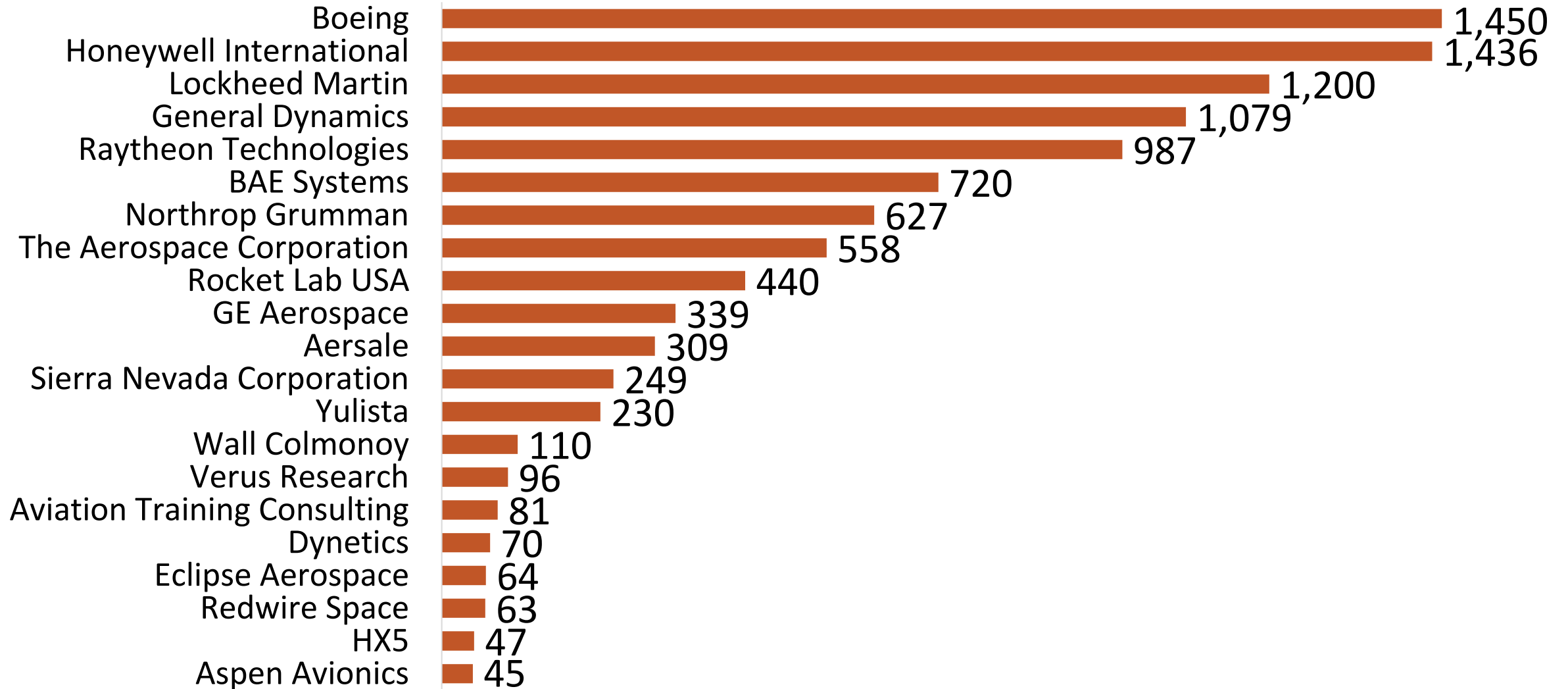
# Space, Aerospace & Defense Predicted Job Change 2025-2035



**NM Ranks  
5<sup>th</sup>**

Source: EL calculations based on Lightcast 2026.1

# Unique Job Postings for Space, Aerospace & Defense, Jan 2019 – Oct 2025



Source: EL calculations based on Lightcast 2025.4

# What the Roadmap Recommends

(To Improve the State's Economic Competitiveness and Diversify and Grow the Economy)



**ECONOMIC  
LEADERSHIP**



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## ROADMAP FOR ECONOMIC TRANSFORMATION

The report offers a series of actionable recommendations to bridge these gaps and accelerate the growth of the four emerging sectors. Key priorities that must be addressed include:



ADDRESSING  
STATEWIDE  
COMPETITIVENESS



STRENGTHENING  
THE ECOSYSTEM



SECTOR-SPECIFIC  
INVESTMENTS



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## Sector-Specific Investments to Diversify the Economy:

**Quantum:** Expand the availability of New Mexico-focused capital to ensure that startups remain in state as they scale to production.

**Space/Aerospace:** Improve site and facility readiness by increasing the Site Readiness Fund to ensure the state has "shovel-ready" locations for manufacturers.

**Manufacturing:** Pilot national lab innovations directly in local manufacturing facilities, positioning New Mexico as a "national testbed" for advanced production.

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## Addressing Statewide Competitiveness:

**Business Climate:** Reform the sales tax structure to eliminate "gross receipts" characteristics that tax business-to-business transactions and discourage relocation.

**Education:** Adopt reforms such as the four principles of the "Mississippi Miracle" to improve K-12 outcomes and implement universal AI literacy programs for students and incumbent workers.

**Workforce:** Improve access to and availability of technical training needed to grow intelligent manufacturing, advanced energy, and commercialization of quantum technologies; increase work experience opportunities through internships and apprenticeships; launch "Stay and Work in NM" incentives and "Boomerang" recruitment campaigns to retain and attract talent back to the state.

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## Strengthening the Ecosystem:

**Branding: Aggressively market** New Mexico's high-tech capabilities—not just its tourist attractions—to out-of-state C-suite executives.

**Leadership: Establish an Economic Competitiveness Council** to monitor performance indicators and align stakeholder efforts across government and industry and strengthen emerging sector ecosystems.

# Picking a Competitive Place for Investment



## NATIONAL

- Market Size
- Trade Policy



## STATE

- Taxes & Regulation
- Legal Environment
- Business Climate



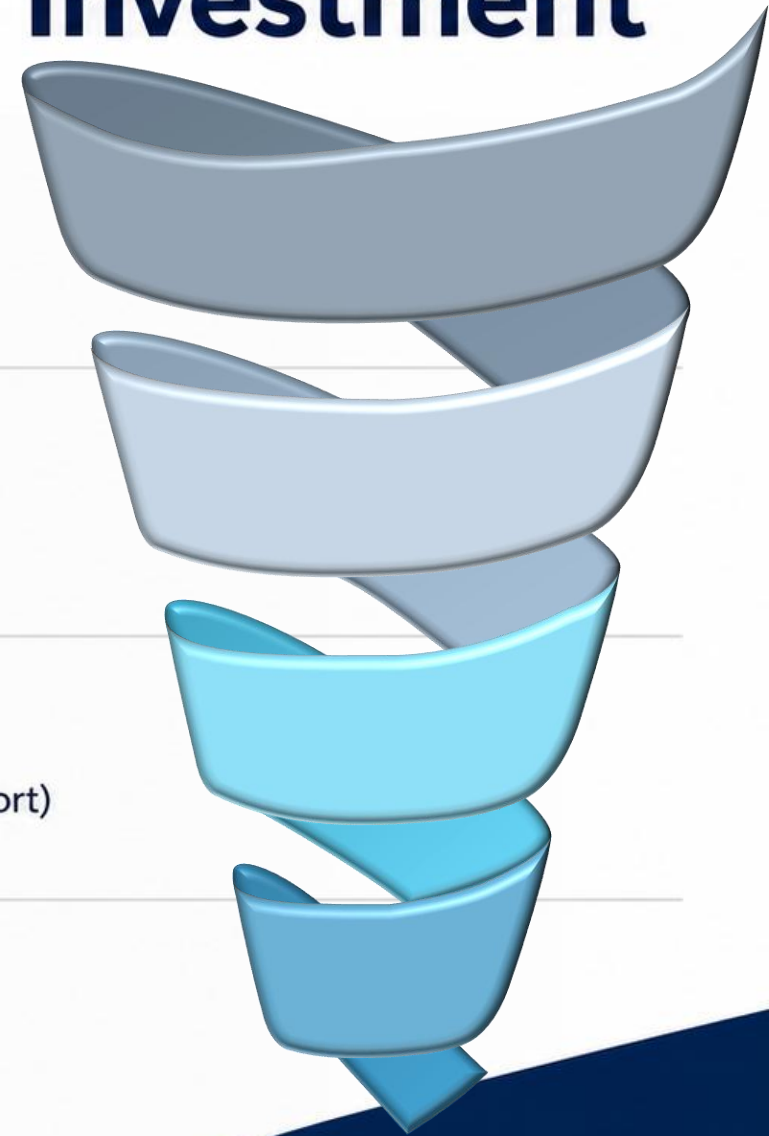
## REGIONAL

- Workforce
- Housing
- Connectivity (Air/Transport)
- Quality of Life



## LOCAL

- Sites & Buildings
- Permitting Speed



# What We Have Learner About Collaboration ...

- 1.** People, and organizations collaborate when it is in their interest to do so.
- 2.** “When crisis > complacency = cooperation
- 3.** Collaboration happens at the speed of trust, absolutely no faster
- 4.** Collaboration happens when there is a belief in success

# PLACE BASED COMPETITIVENESS – ACTIONABLE

FOUR PILLARS. ONE GOAL. STRONGER COMMUNITIES.



## ALIGNMENT & SYNERGY OF STAKEHOLDERS

- ✓ Shared vision and goals
- ✓ Inclusive engagement
- ✓ Build trust and relationships
- ✓ Leverage collective strengths



## COLLABORATIVE CAPACITY

- ✓ Resources to maintain the collaboration
- ✓ Strong leadership and coordination
- ✓ Effective communication
- ✓ Data-informed decision making
- ✓ Adaptability and innovation



STRONGER PLACES.  
BETTER FUTURES.



## RESOURCES THAT MATCH EXPECTATIONS

- ✓ Right resources for priorities
- ✓ Strategic investment
- ✓ Efficient allocation
- ✓ Accountability and transparency



## SUSTAINED EFFORT OVER TIME

- ✓ Long-term commitment
- ✓ Consistent action
- ✓ Measure progress
- ✓ Continuously improve



— THE SECRET TO ACHIEVE RESULTS —



# NEW MEXICO TECHNOLOGY & ADVANCED INDUSTRY ECOSYSTEM

A CONNECTED NETWORK OF PARTNERS BUILDING OPPORTUNITY, INNOVATION & PROSPERITY



TOGETHER, WE BUILD A NEW MEXICO WHERE PEOPLE, IDEAS & INDUSTRY THRIVE.

**Does Anyone Here  
Today Believe That  
The Pace of Change  
Will Slow in the Next  
Few Years?**



**ECONOMIC  
LEADERSHIP**

A speedometer graphic with a blue needle pointing to the right. The needle is positioned at approximately the 7 o'clock position. The speedometer has a silver rim and a blue face with white tick marks. The text is overlaid on the speedometer.

**THE —  
SURGING —  
SPEED —  
OF —  
CHANGE —**

# Foresight

Information-Implications-Actions

---



# Thank You

IF NOT  
**NOW,**  
WHEN?



Connect with me on LinkedIn!  
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[www.econleadership.com](http://www.econleadership.com)



**ECONOMIC**  
LEADERSHIP

— **Building Better Economic Leaders** —

