



EXECUTIVE SUMMARY

New Mexico's S&T Roadmap:

Prioritizing Investments for Enhanced
Competitiveness in Science and Technology

Prepared for: New Mexico Economic Development Department
Prepared by: TEconomy Partners, LLC



JULY 2025

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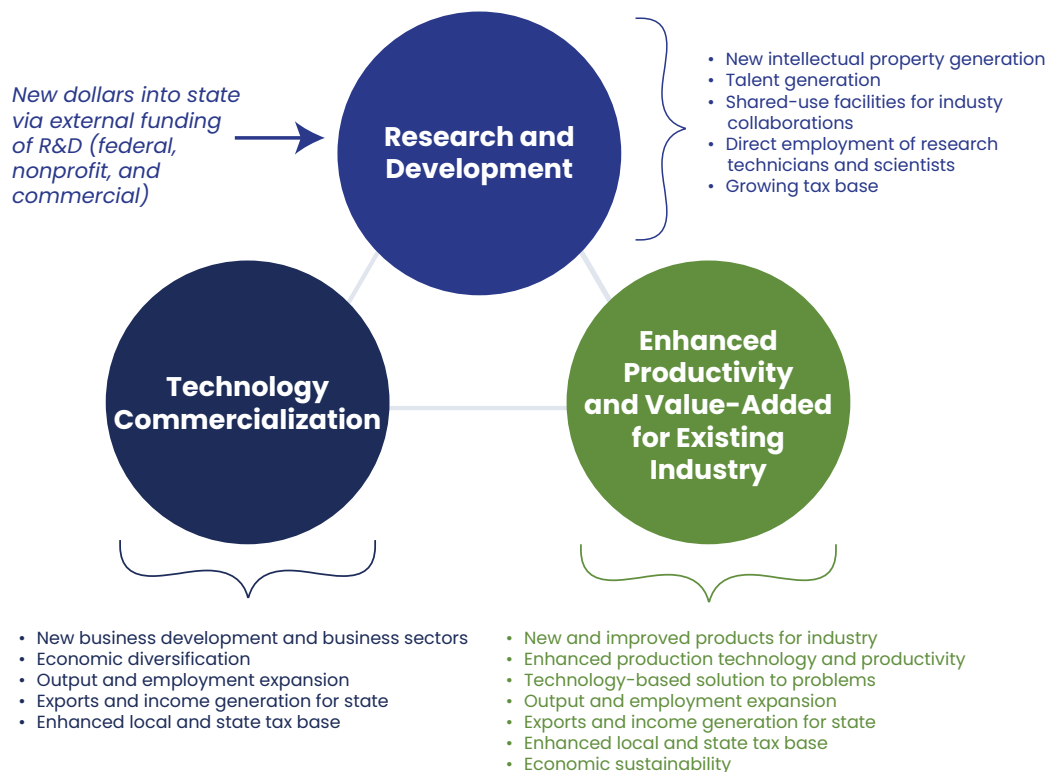
A Call to Action

Innovation is a key driver of economic growth—leading to high-quality jobs and rising standards of living (Figure ES-1).

As the World Economic Forum in its highly touted *Global Competitiveness Report* explains:

In the long run, standards of living can be expanded only by technological innovation ... This requires an environment that is conducive to innovative activity, supported by both the public and the private sectors.¹

FIGURE ES-1. INNOVATION-LED DEVELOPMENT IS A KEY DRIVER OF ECONOMIC GROWTH



Source: TEconomy Partners, LLC.

1 World Economic Forum, *The Global Competitiveness Report 2010–2011*, page 8.

Economic advancement in New Mexico has been driven by scientific innovation for over 80 years, heavily influenced by its role in nuclear weapons development during World War II and subsequent research and development in related fields. Today, New Mexico has the opportunity to leverage its existing research assets to drive future growth in high-value science and technology sectors. The state has demonstrated significant capacity in key industries such as aerospace, cybersecurity, and renewable energy. However, as detailed in the 2021 statewide strategic plan, *Empower & Collaborate: New Mexico's Economic Path Forward*, the state must now prioritize strategic investments that will solidify its competitive advantage in these sectors.

New Mexico's S&T Growth Opportunity Areas

To maintain competitiveness and ensure long-term economic resilience, New Mexico must build on the foundation laid by its rich science and technology (S&T) ecosystem, which is driven by Los Alamos National Laboratory (LANL), Sandia National Laboratories (Sandia), and Air Force Research Laboratory (AFRL) at Kirtland Airforce Base, as well as the state's academic research universities—University of New Mexico (UNM), New Mexico State University (NMSU), and New Mexico Institute of Mining and Technology (NMT). These assets provide a strong base for attracting talent, fostering innovation, and commercializing research in ways that can spur sustainable economic growth.

To better understand the alignment of New Mexico's industrial innovation needs with the core competencies of its research institutions, a rigorous, data-driven approach was undertaken to identify S&T opportunity areas that New Mexico should target for future economic growth. The intersection of where New Mexico excels in the "market pull" of industrial innovation activities and the "technology push" of research capabilities represents the greatest opportunities for future economic growth.

Ultimately, three existing S&T growth opportunity areas and two emerging S&T growth opportunity areas were identified for New Mexico (Figure ES-2). These opportunities can be considered those areas in which New Mexico is best positioned to compete in growing, innovation-led markets that can help sustain the state's leading industry sectors as well as advance emerging markets in new industries of the future. Each of these growth opportunity areas is supported by cross-cutting technical expertise and capabilities that enable innovation and technology development. These capacity areas form the foundational support that cut across specific markets. These enabling capabilities, while not growth areas in isolation, play a pivotal role in translating New Mexico's scientific strength into economic opportunity.

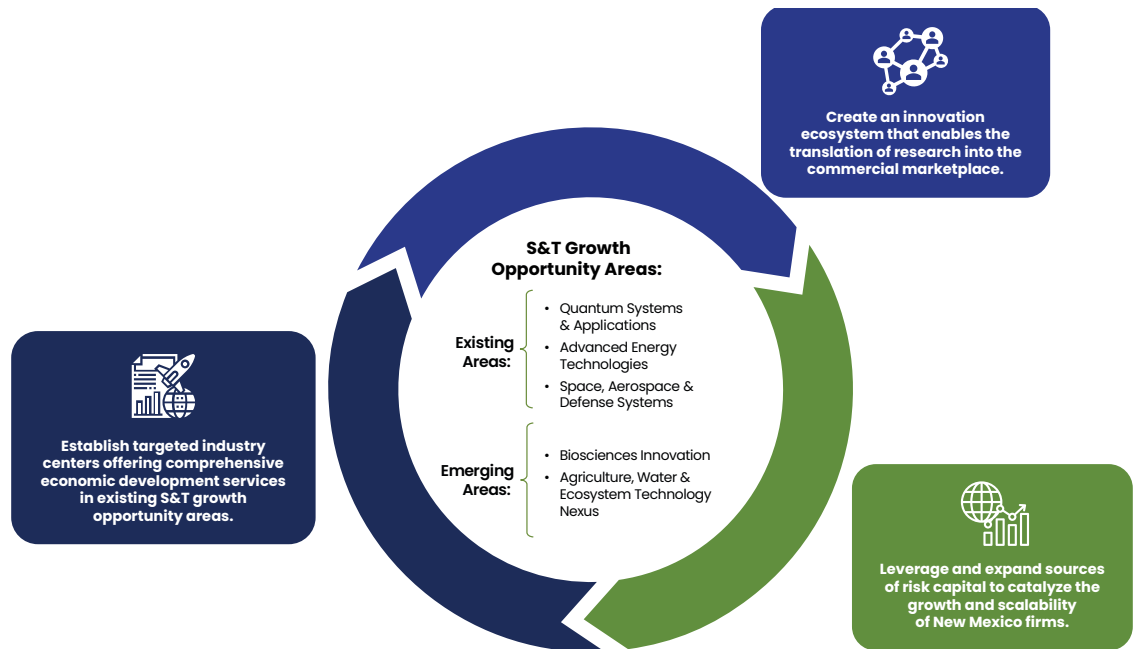
New Mexico’s S&T Roadmap: Prioritizing Investments for Enhanced Competitiveness in S&T

While there can be no doubt that New Mexico stands out as an R&D powerhouse, there continues to be untapped potential in the state’s ability to commercialize its research base into high-growth startups and industrial partnerships. Across numerous innovation measures, New Mexico consistently ranks behind many of its benchmark states. To reverse these trends, New Mexico must focus on accelerating the number of promising ideas that successfully navigate the innovation continuum, ultimately leading to the location or expansion of existing industry players and the scaling of new businesses that sustain their growth as they generate new, high-paying jobs across the state.

Changing the trajectory of New Mexico’s economy will require the state to focus its investments on targeted S&T opportunity areas. Much like the state has done for the past 25 years in its successful efforts to target the film and television industry, now is the time to focus state investments on foundational initiatives that will root S&T growth opportunities, which in turn will drive future economic growth. The ability to create the envisioned innovation ecosystem has high stakes for New Mexico’s future. First movers in creating next-generation environments focused on these S&T opportunity areas will enjoy disproportionate competitive advantages and economic growth compared with competitors.

New Mexico’s S&T Roadmap lays out a series of recommended bold actions that, if undertaken, will help foster greater levels of economic prosperity. Generating these outcomes does not happen on its own, but rather through a series of intentional, strategic, and proactive investments. This S&T Roadmap capitalizes on New Mexico’s strengths and focuses investments on building the ecosystem that will ensure the state’s economic vitality for years to come (Figure ES-3).

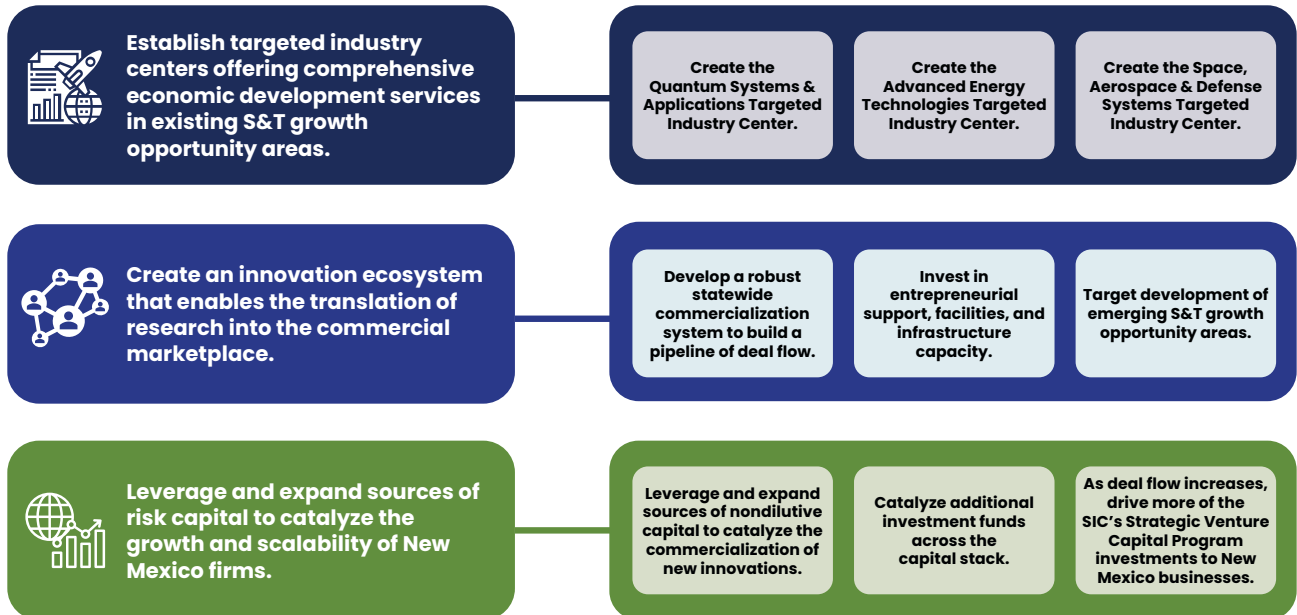
FIGURE ES-3. NEW MEXICO’S S&T ROADMAP



Source: TEconomy Partners, LLC.

The S&T Roadmap is comprised of specific actions that if implemented will drive economic growth. These recommendations are focused on catalyzing the commercialization and deployment of new products/services within New Mexico’s S&T growth opportunity areas. These recommended actions comprise the S&T Roadmap and outline the investment priorities for the State of New Mexico (Figure ES-4).

FIGURE ES-4. INVESTMENT PRIORITIES FOR ENHANCING NEW MEXICO’S COMPETITIVENESS IN S&T



Source: TEconomy Partners, LLC

The stakes are high for New Mexico; but, by targeting investments in existing S&T growth opportunity areas, creating a robust innovation ecosystem, and leveraging and expanding sources of financial capital, New Mexico can turn its robust research base into economic growth opportunities.

