



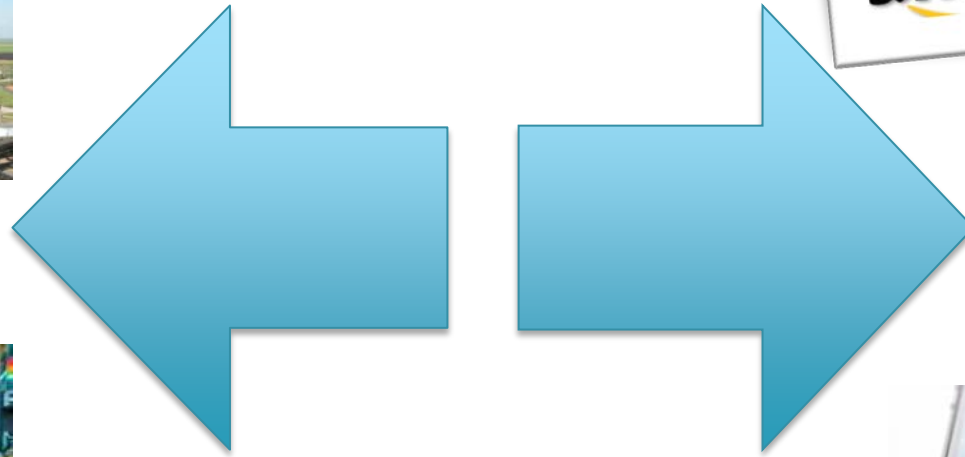
# Long-term Economic Development Strategies

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# Economic development has undergone fundamental changes in recent decades



Fewer companies built U.S. facilities as 11.9 million manufacturing jobs are outsourced

For the last two decades, new businesses account for nearly all net new job creation in the U.S.

# States are investing in starting and growing new firms

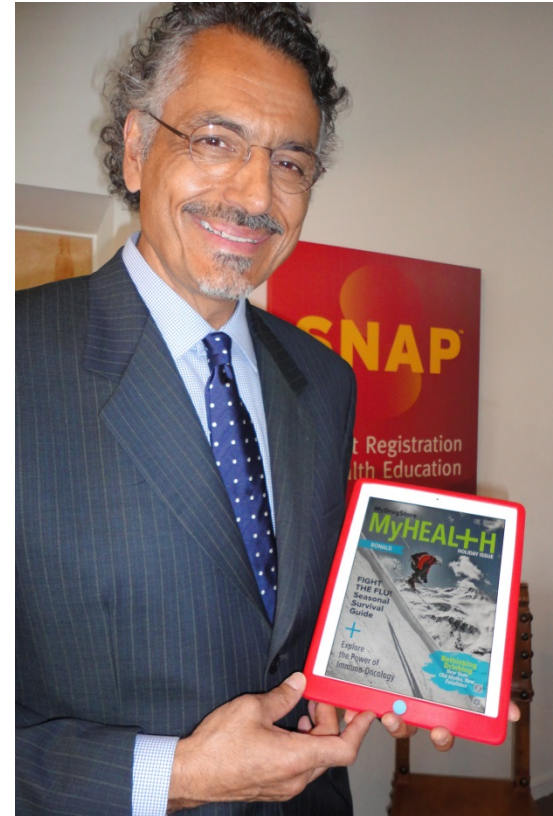
Colorado	Grants for proof of concept, early stage capital and infrastructure	\$5 million
Connecticut	Next Generation Connecticut Plan Science and Tech Education at University of Conn and fund for R&D	\$2 billion
Pennsylvania	Fund for tech start-ups	\$200 million
Indiana	Establish bioscience institute	\$25 million
New York	Venture Capital Fund for tech commercialization	\$50 million
Hawaii	Entrepreneurial development and research commercialization	\$6 million
Massachusetts	Infrastructure, University tech commercialization, co-working spaces	\$918 million

Information provided by State Science and Technology Institute, <http://ssti.org/>

# Innovation is the new paradigm for economic development

**Policy makers must be willing to:**

- 1. Understand and take risk**
- 2. Accept longer development times**
  - » Measure of a successful high-growth company is 50+ employees in five years
- 3. Make investments in technology research as a way of creating new knowledge and ideas for commercialization**



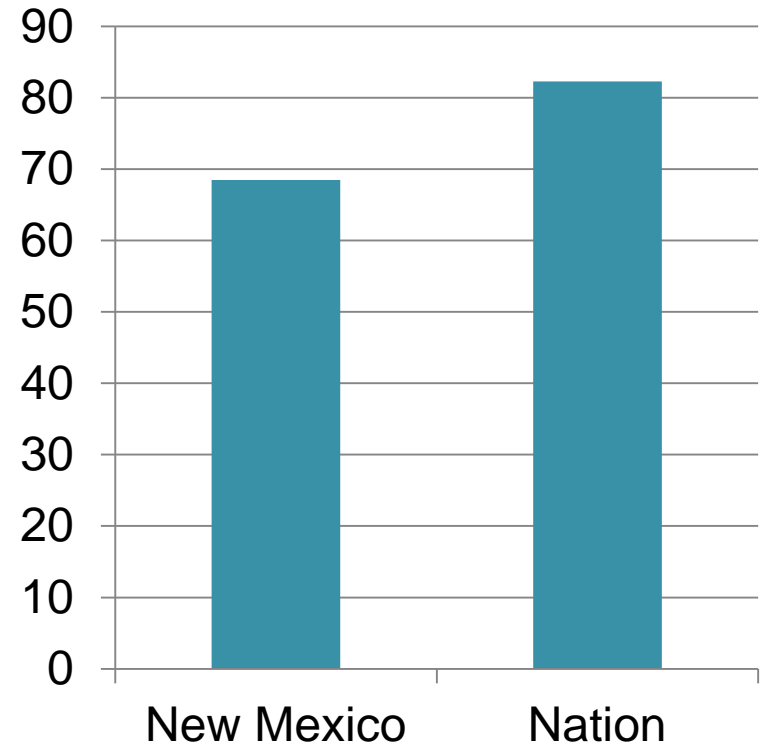
*David Perez, CEO of Seamless Medical Systems in Santa Fe. Company was launched in 2012 and expects to employ sixty by the end of 2016.*

# What can states do to attract new high-growth companies?

## Kauffman Foundation Findings:

- 1. Simplify tax codes and payment systems**
  - » Easy to understand systems are important to entrepreneurs
- 2. Cultivate human capital**
  - » Startups pay attention to high school and college completion rates

**2015 High School Graduation Rates**



*Only the District of Columbia had a high school completion rate lower than New Mexico*

# New Mexico is competitive in start-up activity

## New Mexico ranks 18<sup>th</sup> in the country

### Index Measures:

- » Number of adults becoming entrepreneurs each month
- » Number of entrepreneurs who left a job to start a company
- » Number of new people starting up businesses as a percentage of population

**2015** THE KAUFFMAN  
**INDEX**  
startupactivity  
STATE TRENDS | Arnobio Morelix  
Robert W. Fairlie | Joshua Russell  
E.J. Reedy

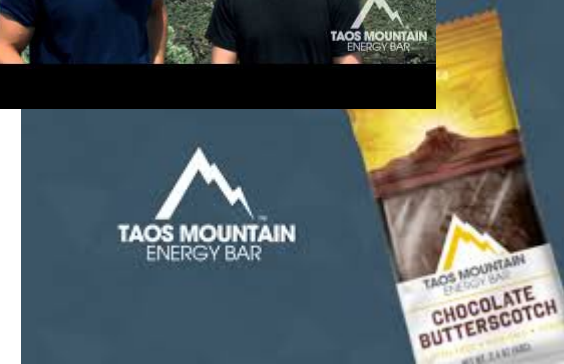
*The Kauffman Foundation provides research, policy recommendations and trends on entrepreneurial development*

[www.kauffman.org](http://www.kauffman.org)



# Entrepreneurs want to meet like-minded people for new ideas

The Taos Entrepreneurial Network provides monthly meet-ups and employs a “facilitator,” who connects entrepreneurs to people and resources



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# Collaboration between the Laboratory and universities is promising



The New Mexico Consortium (NMC) is a partnership between Los Alamos National Laboratory and the three New Mexico universities focused on joint-research initiatives.

Areas of concentration include:

- » Plant biology and biomedicine
- » Advanced computing

Annual budget - \$10 million  
Employees - 120

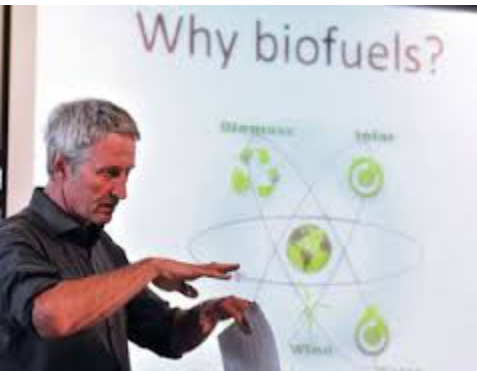


*Hunter McDaniel, founder of UbiQd, LLC holds patents from LANL for quantum dots, which have applications for lighting, diode lasers, transistors and solar cells. The start-up company is housed at NMC.*



# Existing resources can be more “entrepreneurial”

Santa Fe Community College has entered into partnerships with four startup companies that will employ graduates and specialize in areas where the school has programs.



*Ecoponex Systems LLC plans on building its first \$6.5 million closed-loop urban agriculture system on the campus of Santa Fe Community College (artist rendering above).*

# Economic development policy recommendations

## Technology Development

- » In the 2016 session, Senator Cisneros introduced SB 31, which would provide credits to national laboratories to develop technologies which have been licensed by New Mexico entrepreneurs.

## Education

- » To further education and technology connection, Laboratory representatives should be added to the Boards of Regents of all three of the state's research institutions.

## Reporting

- » The New Mexico Small Business Assistance Program reports to the state on an annual basis and can be used as a template for those receiving tax credits.