

The Santa Fe Plan  
Executive Summary

## Executive Summary

In the New Economy, the challenge is for a community to become more efficient, more intelligent, more ecological—in short—more competitive. The objective of cluster cultivation is to help create a competitive advantage out of the existing local business environment by creating synergies and by nurturing the region's key industry clusters. This strategy ensures that the community of Santa Fe builds on its strengths and has the appropriate workforce skills and infrastructure to move forward into changing economic times.

Santa Fe Economic Development, Inc. (SFEDI) has adopted the "Economic Gardening Model" as its long-term strategy for diversifying Santa Fe's economy. By "growing our own entrepreneurs" rather than hunting for businesses to "come in and save us", Santa Fe can become a more diverse and prosperous community. SFEDI has developed a program to cultivate identified clusters to support economic diversification. The steps in cluster cultivation are to identify the clusters that have developed naturally in the region, to determine ways to help the businesses within the cluster to flourish through a specific cooperative effort, to support entrepreneurial activity to strengthen the cluster, and to develop a marketing strategy to relocate targeted companies in the same cluster for the purpose of improving the links in the region.

Competitiveness is derived from access to highly specialized economic inputs, often referred to as "economic foundations", including institutions that provide adaptable skills, accessible technology, adequate financing, available infrastructure, advanced communications, acceptable regulatory and business climate, and achievable quality of life. Success requires an enormous amount of

cooperation between many regional institutions and organizations that create a vital cycle in which clusters and foundations are mutually supportive.

Santa Fe Economic Development, Inc. (SFEDI) has the direct responsibility to broaden the economic base in Santa Fe in order to attain a more diversified economy. SFEDI is conducting roundtable discussions for the industry clusters identified in the Community Economic Development Plan and is positioned to suggest and implement specific action items to create and maintain a forward momentum of the development of each cluster. The Cluster Cultivation Program is comprised of four basic steps: cluster identification, cluster activation, cluster support, and cluster expansion.

### Challenges

One of the greatest challenges to economic development activity is measuring the outcomes of programs and investments in both the short-term and the long-term. Outcome measurement criteria will be developed based on the availability and frequency of updates of data, the use of easy-to-understand performance measures that relate to outcomes and that accurately track progress toward goals, and the use of measures that can be compared to other regions.

SFEDI understands the challenges presented by a strategic economic development plan that requires such a large cooperative effort to be successful. SFEDI will refine this initiative in order to maintain a forward momentum and will continue to encourage and develop innovative solutions for the challenges presented by the New Economy.

## *Cluster-Based Economic Development in The New Economy*

### **Goals from the Community Economic Development Plan to be Addressed**

- ◆ "Expand the economic base of Santa Fe through the creation, retention, expansion and attraction of businesses which fit the character, resources and value systems of Santa Fe"
- ◆ "Develop and promote exporting firms and export markets to strengthen Santa Fe's Economy"
- ◆ "Provide the community with infrastructure that will optimize the resources of the City and allow for responsible, directed growth"

### **Objective**

The objective of cluster-based economic development is to create a competitive advantage out of the existing local business environment by creating synergies through a complex web of relationships. A competitive portfolio of diverse industries in a regional economy provides increases in real income and quality jobs in a prosperous business climate. Cluster-based economic development is based on the idea that nurturing a region's key industry clusters improves the competitiveness of businesses within these industry clusters and increases opportunity to compete in the New Global Economy.

"Industry cluster" is an economic development concept championed by Dr. Michael Porter of Harvard Business School. Dr. Porter is respected worldwide as an expert in global economic strategies and was among the first to recognize the power of clusters to improve regional economies. Dr. Porter contends that regions develop a competitive advantage based on their firms' ability to continually innovate, and that economic vitality is a direct product of the competitiveness of local industries.

A cluster is defined as a geographically bounded concentration of similar or complementary businesses with active market and nonmarket links and which share specialized infrastructure, labor markets and services. The links enable cooperation among suppliers and competitors on business processes, purchases, investments, strategies, and technical research. The cluster has a definitive strategic advantage when it is united to face both common opportunities and common challenges.

Many clusters develop naturally and not through overt strategic cluster development. However, how far in the development process they may go depends upon many external factors. Regional clusters can create a strategic advantage when the proper resources are provided. Clusters that have developed naturally are selected for economic development support based on the industry's ability to help diversify the economy, the ability to export beyond the region or bring outside dollars into the region, the ability to provide quality jobs, and the ability to enhance (or at minimum, not detract from) the special character that is Santa Fe. This selection process follows the goal to "expand the economic base of Santa Fe through the creation, retention, expansion and attraction of businesses which fit the character, resources and value systems of Santa Fe".

The Cluster Cultivation Program applies the "Economic Gardening Model": identify the clusters that have developed naturally in the region, determine ways to help the businesses within the cluster to flourish through a specific cooperative effort, support entrepreneurial activity to strengthened the cluster, and where necessary the overall competitiveness of the cluster, develop a marketing strategy to relocate targeted companies in the same cluster to improve the links in the region.

## Economic Foundations

Success in a cluster-based economic model requires an enormous amount of cooperation between many regional institutions and organizations. Industry cluster competitiveness is derived from not only the concentration of related industries, suppliers, and services in the same region, but also from access to highly specialized economic inputs that are **not** usually provided solely by the business sector. These resources, often referred to as "economic foundations" include institutions that provide:

- ◆ Adaptable Skills
- ◆ Accessible Technology
- ◆ Adequate Financing
- ◆ Available Infrastructure
- ◆ Advanced Communications
- ◆ Acceptable Regulatory and Business Climate
- ◆ Achievable Quality of Life

Successful regions create a vital cycle in which clusters and "foundations" are mutually supportive. When the cycle works, competitive enterprises attract investment to the region and create quality jobs and rising real incomes. In addition prosperous businesses supply tax revenues that finance strong foundations, which in turn supply the skilled workers, capital, and the technological infrastructure to sustain healthy clusters.

The focus of cluster-based economic development must be regional and inclusive. By focusing a collective effort on supporting and strengthening economic clusters, the concentration of business activity and supporting institutions generally lead to:

- industry access to a deeper pool of specialized labor,
- greater ease in interacting and collaborating with other industry members,
- more up-to-date information about industry events and trends,
- products tailored to specific industry characteristics,
- more rapid diffusion of new technologies and techniques,
- greater support for publicly funded efforts to serve the cluster,
- a greater propensity to generate spin-off firms within the region,
- better industry expertise within local financial institutions, and
- greater visibility of local firms <sup>1</sup>

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<sup>1</sup> *Science and Technology Strategic Planning, Creating Economic Opportunity*, ECONOMIC DEVELOPMENT ADMINISTRATION, U.S. Department of Commerce, 1997

## *Benefits of a Cluster Strategy*

An industry cluster strategy offers a region several benefits and opportunities. A distinct benefit is the ability of industry, government, and educational institutions to work cooperatively to strengthen regional economies. This leads to more efficient and effective use of public and private resources and helps a region develop strong and dynamic clusters. A cluster strategy helps a region set priorities for major investments and ensures that infrastructure is appropriately developed to provide the greatest benefit to the community.

A clear benefit to the cluster strategy is the greater likelihood that local and regional economic development organizations are coordinating their efforts, avoiding duplication of services, and developing a more comprehensive approach to economic development. The industry takes the lead (with initial support from Santa Fe Economic Development, Inc.) in addressing the concerns of the cluster while government and education play facilitation and support roles.

Benefits to the public sector include the ability to focus efforts on meeting the needs of businesses with similar issues. A cluster strategy does not mean that the government turns its back on individual firms that find themselves in a cluster with unique concerns, or exist apart from a cluster altogether. Instead the strategy provides a framework for delivering government services so they have a greater impact. Established and emerging businesses benefit from the increased cooperative effect of industry and government through implementation of the strategy.

## *Implementation*

### **The Role of Santa Fe Economic Development, Inc.**

Santa Fe Economic Development, Inc. (SFEDI), Santa Fe's lead private sector economic development organization, has the direct responsibility to broaden the economic base in Santa Fe in order to attain a more diversified economy. Based on research of best practices in the field of cluster-based economic development, SFEDI has developed a Cluster Cultivation Program consistent with the Economic Gardening Model to respond to "the challenge facing Santa Fe now is to diversify the economy to reduce its dependence on tourism and government wages."<sup>2</sup>

SFEDI is conducting roundtable discussions for the industry clusters identified in the Community Economic Development Plan. As clusters identify opportunities through these roundtable discussions for economic foundation improvement to increase regional competitiveness in the New Economy, SFEDI will coordinate activities by continuing to work closely with local and regional economic development organizations. These organizations include the Tri-Area Association for Economic Development, the Santa Fe Business Incubator, the Small Business Development Center, the North Central NM Economic Development District, the Santa Fe Education & Apprenticeship Network, the Metro New Mexico Development Alliance (Albuquerque), and the Santa Fe County Chamber of Commerce.

SFEDI is positioned to suggest and implement specific action items to create and maintain a forward momentum of the development of each cluster. Less direct involvement from SFEDI will be required as each cluster solidifies. SFEDI will continue to promote initiatives that improve the economic foundations within the region and report these initiatives regularly to public policy makers.

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<sup>2</sup> *Community Economic Development Plan*, City of Santa Fe, June 1996, pg. 8

The 1996 Community Economic Development Plan stated "it is hoped that these beginnings will encourage businesses to come together to create full strategic development plans for their industries." SFEDI has determined that specific steps must be taken for businesses to be organized as a cluster and that full strategic development plans cannot be created until the necessary synergies and relationships have been developed. Although these steps require the participation of various organizations and institutions, SFEDI is assuming a leadership role in ensuring the completion of these steps. SFEDI will facilitate the meeting of cluster members, conduct research to help the cluster define itself, and respond to cluster priorities with appropriate and requested assistance.

### The Steps:

- ◆ **Cluster Identification:** Determine which industry clusters have developed naturally in the region, determine if the cluster meets the criteria for economic development support <sup>3</sup>, and identify the businesses that belong to each appropriate industry cluster.
- ◆ **Cluster Activation:** For clusters that have not formally organized, ascertain interest for cluster development and facilitate meetings until the cluster can be formally organized on its own.
- ◆ **Cluster Support:** Based on initial discussions with members of the cluster, determine which economic foundations are most critical to the further development of the cluster. Determine *cooperative* steps to strengthening these foundations and coordinate these steps between industry and government.
- ◆ **Cluster Expansion:** Support entrepreneurial spin-off activity within the cluster so that the expansion of the regional links can be accomplished locally. For activities that would be better served by relocating a business to Santa Fe, develop a marketing strategy to target specific companies as identified by the local cluster members.

<i>Outcome Measurement</i>
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One of the greatest challenges to economic development activity is measuring the outcomes of programs and investments in both the short-term and the long-term. Some outcomes, including direct jobs created and additional tax revenue generated, are more easily measured. But attributing those outcomes directly to economic development activities can be harder to establish. The first step is to identify indicators of performance and to establish baseline data. In selecting performance measures, the following criteria will be considered:

- ◆ The availability and frequency of updates of data and the extent to which it is likely to be collected and available in the same manner in the future,
- ◆ Performance measures that relate to outcomes, not inputs,
- ◆ Measures that accurately track progress toward goals,
- ◆ Measures that can be compared to other regions within the state of New Mexico as well as nationally, and
- ◆ Measures that are easily understood.

By establishing specific action steps and developing appropriate associated timeframes for completion, SFEDI will establish ways to measure the outcome of the Cluster Cultivation Program and provide regular progress reports. Where involvement is required from other organizations and institutions to complete an action item, SFEDI will play an active role in the completion of that item.

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<sup>3</sup> Clusters that have developed naturally are selected for economic development support based on the industry's ability to help diversify the economy, the ability to export beyond the region or bring outside dollars into the region, the ability to provide quality jobs, and the ability to enhance (or, at minimum, not detract from) the special character that is Santa Fe.

## Santa Fe Clusters

In the Economic Gardening Model, clusters that have developed naturally in the region are selected for economic development support based on the industry's ability to help diversify the economy, its ability to export beyond the region or bring outside dollars into the region, its ability to provide quality jobs, and its ability to enhance (or at minimum, not detract from) the special character that is Santa Fe.

The 1996 Santa Fe Community Economic Development Plan identified clusters that show potential for economic development. Santa Fe Economic Development, Inc. has updated this list for 2000. They are:

- ◆ Biotechnology
- ◆ Publishing
- ◆ Information Technologies
- ◆ Film/ Video Production
- ◆ Medical Practitioners (Traditional and Alternative)
- ◆ Indigenous Art
- ◆ Light Manufacturing
- ◆ Furniture Manufacturing/ Home Furnishing
- ◆ Specialty Agriculture/ Food Processing
- ◆ Outdoor Recreation Equipment

Santa Fe Economic Development, Inc. will establish contact with each cluster identified to determine the extent to which they have organized as a cluster and to determine what support is needed for increased competitiveness of the cluster.

## Sources

*Cluster Based Economic Development: A Key to Regional Competitiveness*, ECONOMIC DEVELOPMENT ADMINISTRATION, U.S. Department of Commerce, 1997

*Cluster Power*, CIO Enterprise Magazine, August 15, 1998

*Community Economic Development Plan*, The City of Santa Fe, June 1996

*Industry Cluster Progress Report*, Connecticut Department of Economic and Community Development, November 1999

*Industry Clusters: An Economic Development Strategy for Minnesota Preliminary Report*, State of Minnesota, January 1999

*Science and Technology Strategic Planning, Creating Economic Opportunity*, ECONOMIC DEVELOPMENT ADMINISTRATION, U.S. Department of Commerce, 1997



# Cluster Progress Summaries

Updated 1<sup>st</sup> Quarter 2003

## Biotechnology Progress Summary

*Updates are in italics.*

Santa Fe Economic Development, Inc. (SFEDI), in redefining the clusters to ensure an inclusive approach, has identified the Biotechnology Cluster to include biomedicine; the spin-offs from the Los Alamos National Laboratory (LANL), the National Center for Genome Resources (NCGR), and the Santa Fe Institute (SFI); and other businesses that develop, manufacture, or sell products which are based on "the direct modification of biological processes". SFEDI has identified 24 biotechnology companies including research and consulting. SFEDI concluded that this cluster should receive economic development support because it adds to the diversity of the Santa Fe business community, it has the ability to bring dollars into the region, it provides quality jobs, and it maintains the special character of Santa Fe. (2000)

Through the ongoing efforts of the operating committees and staff, SFEDI has agreed to

- ◆ Assist in the creation and organization of the Santa Fe Chapter of the New Mexico Biotechnology and Biomedical Association with the first meeting to be held in June, 2000,
  - *SFEDI continues active membership in NMBBA ([www.nmbio.org](http://www.nmbio.org)). While the organization has grown, the size of the number of biotechnology companies in Santa Fe has diminished. Current projections place the number of companies of half the number originally reported, primarily due to the downturn in the national economy and the decrease in capital investments in Santa Fe area companies. Efforts are currently underway at SFEDI to improve that environment for companies in our area. In addition, LANL and Sandia National Laboratory continue to spawn new developments in this area.*
  - *Current information may be found at [www.biotechmesa.net](http://www.biotechmesa.net), the research resource supported by both NMBBA and SFEDI.*
- ◆ Coordinate with the recruiters in the biotechnology companies to develop a one-stop web page for spousal employment opportunities in Santa Fe,
  - *Efforts in this area have been stymied by the rapid decline of many entities in this area. NMBBA has a minor effort underway, but this continues to be an issue.*
- ◆ Work with members of the biotechnology cluster who have agreed to help market Santa Fe to attract other biotechnology companies to the region by displaying relocation materials at industry trade shows, and
- ◆ Work to keep SFEDI informed of technology transfer projects in the area (amended 2003).
  - *SFEDI works with all potential organizations to promote the creation of new companies based on local research. Since 2000, the efforts underway have changed dramatically, adjusting to the new environment. Support continues for all companies, particularly those involved with complexity science as our new environment continues to evolve.*

## Publishing Progress Summary

*Updates are in italics.*

The publishing cluster is comprised of newspaper publishers, book publishers, magazine publishers, periodical publishers, printers, bookbinders, book distributors, bookstores, literary agents, publicists, writers, photographers, and illustrators. As a starting point to understanding the needs of this cluster,

SFEDI began a dialogue with the book and magazine publishers in Santa Fe through Roundtable discussions held in April and May 2000. SFEDI has identified and contacted 19 magazine and 29 book publishers. SFEDI concluded that this cluster should receive economic development support because it adds to the diversity of the Santa Fe business community, it has the ability to bring dollars into the region, it provides quality jobs, and it maintains the special character of Santa Fe. (2000)

*This sector continues to survive and thrive. The Publishing Cluster has merged with the New Mexico Book Association, which is currently undergoing an expansion through the addition of affiliates with products other than books (such as those identified in the cluster above).*

Through the ongoing efforts of the operating committees and staff, SFEDI has agreed to

- ◆ Host an E-Publishing Seminar in July, 2000 to address directly some common concerns of the local publishers of the impact of e-publishing on their businesses,
  - *Completed.*
- ◆ Hold additional roundtable discussions with the magazine publishers to help determine their interest and participation level in the creation of a local magazine publishing association,
  - *Completed.*
- ◆ Continue the discussion of the building of a Publishers Square—where interested publishing companies could be located together and share both knowledge and, for example, T-1 trunk lines,
  - *Investigation into the possibility of a community network continues.*
- ◆ Identify members of the remaining segments of the cluster (i.e., newspapers, book distributors) to increase our understanding of the support needed for a strong, competitive publishing cluster, and
- ◆ Collect baseline data from the members of the cluster to track annual growth in the cluster.
  - *Several attempts have been made to collect this data with minimal success. Since the number of jobs generated by this cluster falls below the Department of Labor reporting standards, SFEDI is dependent on individual reports from the individual companies. Currently, only a few have responded to requests for information. Efforts will continue.*

### **Information Technologies (Informatics) Progress Summary**

*All information in this section is current. While SFEDI released a white paper on the cluster prior to this publication, it has not been included in this report prior to this date.*

One of the most complex clusters Santa Fe offers, the Information Technologies cluster, includes companies that develop, manufacture, or sell products which are based on the acquisition, processing, storage, and dissemination of information in all its forms (auditory, pictorial, textual, and numerical) through a combination of computers, telecommunications, networks, and electronic devices. In addition, the 2001 SFEDI “white paper” on Information Technology segregated the industry further by defining it as: internet businesses, telecommunications companies, software developers, and informatics companies. However, in the true spirit of complexity theory, the cluster self-organized under one cluster, “informatics.”

- ◆ Assist the informatics cluster to create an informatics trade association to serve their specialized interests.

- While SFEDI was intensely involved in the formation of the society, The International Informatics society has become its own entity and more information can be found at **[www.internationalinformaticssociety.org](http://www.internationalinformaticssociety.org)**.
- The following is the mission:
  - The International Informatics Society is dedicated to the advancement of the applications of informatics, Complexity Science and data mining in business and government settings. Understanding the complex adaptive system, assisting in the creation of wealth in today's networked economy and charting patterns of behavior that result in everyday solutions compose the basis of the organization's charter.
- ◆ Work with other organizations to create a national informatics conference to be held in Santa Fe in order to increase national awareness of our informatics companies
  - The society hosts an international conference each year called High Altitude Thinking: The International Informatics Summit. Speakers attend from all over the world, but the overall presentation has a strong Santa Fe bias due to the number of associations with scientist in the area working on informatics, particularly affiliated with the Santa Fe Institute.
- ◆ Determine workforce development initiatives, including job shadowing and internships in Santa Fe to increase the number of local hires and bring this information to the Santa Fe Workforce Development Alliance for action
  - The informatics cluster is an active participant in recruiting and training high school students in this arena. SFEDI maintains the bookwork and sponsors each student with a \$500 stipend. The success of this cluster has encouraged other clusters to participate, hopefully in the summer of 2003.
- ◆ Collect baseline data from the members of the cluster.
  - This effort continues. With many changes in personnel and the size of the companies, combined with recent events, the effort will begin again in the summer.

With the merging of the cluster, some attention has been focused away from the efforts of the IT industry. While NMIPA, the New Mexico Internet Professionals Association has shown an increase in activity on this front, some of the spirit of innovation has not been collaboratively tapped in the Internet arena. In addition, NMITSA, the New Mexico Information Technology and Software Association, has not been as active as it has in the past. It may be that Information Technology will again meet as a separate cluster, but that has not been determined at the time of this publication.

### **Film/Video Production (New Media) Progress Summary**

*All information in this section is current. While SFEDI released a white paper on the cluster prior to this publication, it has not been included in this report prior to this date.*

The New Media Crossroads began as a networking and marketing campaign under the title "Media Crossroads Santa Fe." With increasing interest on film, digital, and voice production in New Mexico, the cluster has increased its profile. One of the primary goals of the group is to diligently market the skills and talents of its members to the professional community. The members can be any individual, company, or organization involved in the creation of original digital media content or those requiring professional digital media support.

- ◆ Host networking events to facilitate activity in the media cluster.
  - Networking events are happening once each month at a local restaurant. While well attended, efforts are being made by this cluster to increase the attendance.
  - Some collaboration is currently underway from these events (ie. Sourcing films for distribution).
- ◆ Initiate marketing plan for all of the participants in new media.

- The primary focus of this organization is creation of a web site and a separate directory from the New Mexico Film Directory.
- Media expositions are being planned to promote member's products and services to the professional community.
- A marketing and publicity campaign is being discussed. Logos have been presented to the cluster for consideration by Cisneros Design.
- ◆ Support legislative initiatives to encourage film and video production in Santa Fe.
  - Lobbying by individual members is encouraged to improve the business environment for new media professionals. Tax incentives and investment funds are available on a state level, and recent legislation continues to support and augment these initiatives.
- ◆ Encourage the formation of local chapters of national organizations.
  - Cisneros Design has initiated the formation of a local chapter of the American Institute of Graphic Artists.
  - JElle continues work to start a New Mexico Chapter of the National Association of Recording Artists.
- ◆ Collect baseline data from the members of the cluster.
  - The industry, in this case, is growing rapidly and it is difficult to keep up with new initiatives and companies in the area. A list of members and contact information has been compiled and is consistently being updated.

Crossover occurs in this category with Internet-based businesses, but not to the extent that this cluster is solely supported by them. With digital formats increasing in acceptance world wide, the emphasis on this medium will continue as an industry. Some of the members of the cluster support this trend, but others are still focused on traditional methods of work.

### **Medical Practitioners Progress Summary**

*All information in this section is current. An update has not been published in this report prior to this date.*

The medical practitioners in the Santa Fe area are quite diverse. With both traditional and alternative practitioners in the area, this cluster is one of the most complex. Support exists in the industry to blur the lines in health care, but it is not a universally accepted practice, even in a community as supportive as Santa Fe. A few key initiatives may cause this industry to work collaboratively, however.

The practitioners identified two issues that could be areas for collaboration: reform of gross receipts tax law and the promotion of Santa Fe as a destination for healing. Both efforts have garnered some support, but without a central organization seem stagnated.

In the mean time, SFEDI continues to study this cluster, with mixed results on how many practitioners there are in the area and what they are doing. Of interest, Santa Fe houses some of the leading authorities of the merging of traditional and alternative healing methods and the editor of one of the leading magazines. Perhaps through a "Santa Fe Institute" – type approach this project will become a reality.

### **Light Manufacturing Progress Summary**

This cluster, due to the size of the market, has been re-categorized into other categories by the type of product.

## **Indigenous Art Progress Summary**

Work is just beginning on identification and organization of this cluster. With strong organizations such as SWAIA, IAIA, The Institute for Spanish Arts, and the Spanish Colonial Arts Society, they have self-organized as a tourism-based industry. SFEDI's role is yet to be defined, but will emerge as more investigation is done on this cluster.

As for individual artists and artisans, there are a variety of mechanisms for promotion in the Santa Fe market. Some interest in organization has been indicated, but many of the artists are less interested in promotion and more interested in production.

## **Furniture Manufacturing/Home Furnishing Progress Summary**

The Woodworker's Guild is an active and thriving organization primarily through the efforts of TRADE, the Tri-Area Association for Economic Development. As most of the manufacturing takes place in Rio Arriba County and the sales in Santa Fe County, Santa Fe is the showroom for the efforts of local artisans. SFEDI supports the organization through a variety of efforts, primarily in facilitating the work of the Guild. In addition, SFEDI continues to promote and support this industry.

## **Specialty Agriculture/Food Processing Progress Summary**

New Mexico's Own and the Santa Fe Area Farmer's Market are successful at the promotion and maintenance of this cluster. SFEDI will continue to support their efforts.

## **Outdoor Recreational Equipment**

As of 2003, there are very few outdoor recreational equipment manufacturers remaining in Santa Fe. While SFEDI supports a number of retail establishments with equipment, this cluster has diminished.

## ***Non-Profit Arts***

Through a series of requests, SFEDI continues to promote the Non-Profit Arts as a cluster. As a partially tourist-based cluster, they have been successful in contributing over \$225 million to the economy annually. SFEDI continues to collect information on the industry and promote it to businesses interested in locating here – and eventually contributing to preservation of the non-profit arts.

Additionally, SFEDI has produced a study sheet with detailed information on the contribution non-profit performing arts make in the area.

## ***Private Education***

At the request of members of the Private Education cluster, SFEDI identified and organized the 48 private schools located in Santa Fe. Roundtables were held with members of the cluster, and, at their request, the Cluster will continue to meet on a regular basis.

## ***Environmental Technologies***

Solar products, wind-based technologies, environmental clean-up, and other green products are choosing to locate in this area due to their ability to be off the grid and the lack of light and other types of

pollution in the area. While all of the different businesses have not been identified, Santa Fe is rapidly becoming a leader in environmental technologies and world-wide interest increases in preservation of the planet.

### ***Financial Services***

In the active pursuit of quality of life, a number of financial services companies, both in traditional investment and venture capital, have come to Santa Fe. With the recent changes in the stock market, a number of these firms have altered their strategies, but continue to exist and potentially thrive. SFEDI will continue to monitor this trend for potential identification as a separate cluster.

Part of what attracts financial services to Santa Fe is the work being conducted on financial markets by informatics companies. Applications of complexity theory to financial markets have met with various degrees of popularity in the past few years, but some of the models predicted the changes in the markets and have met with increasing interest.

### ***Telecommunications***

Mountains, vistas, and other key geographic characteristics are attractive to wireless telecommunications equipment manufacturers for testing the latest technologies. In addition, as the need for bandwidth grows and the migration toward more rural communities increases, New Mexico will see more activity in this industry.