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8.0 Economic Development

This chapter describes Santa Fe’s economic trends and demographic drivers, the city’s employment, workforce, and major industry clusters, and the local real estate market. This provides a comprehensive understanding of where Santa Fe’s economy has been and is today, helping to support the decisions shaping Santa Fe’s economic future through the Santa Fe Forward planning process.

8.1 Key Findings

Existing Economic Development Strategies and Plans:

- Santa Fe does not have a consolidated Economic Development Strategy (EDS). The last economic strategic document developed by the City of Santa Fe was the 2004 EDS, “Cultivating Santa Fe’s Future Economy,” developed with the support of consultants Angelou Economics. Recently, the Office of Economic Development (OED) has hired an economic consulting firm to conduct data analysis and draft a new Santa Fe Economic Development Plan/Strategy.
- The 1999 General Plan has an Economic Diversity Theme focusing on diversifying Santa Fe’s local economy, job opportunities, and support for small businesses.
- A common theme intertwining all the analyzed economic development strategies/plans is diversification of Santa Fe’s economy while strengthening locally prominent industries like arts and culture, film/media, and science and technology driven by proximity to Los Alamos National Laboratory.
- There is an opportunity through the Santa Fe Forward planning process to more closely align economic development goals and build general agreement in priorities and initiatives across the many partners responsible for driving economic vitality in Santa Fe and the region. This may have a positive impact on the business climate as the broader business community.

Local and Regional Demographic Drivers and Trends:

- The median age in Santa Fe is 7.2 years higher than in New Mexico and has been increasing since 2000. The senior population (65+) accounts for one-quarter of the current population. These two factors indicate that Santa Fe’s population is aging.
- Higher educational attainment is partially driven by the popularity of Santa Fe as a residence for Los Alamos National Laboratory’s (LANL) workers and retirees.
- Santa Fe has a higher median income than the state but lower than Santa Fe County’s median.
- The unemployment rate in Santa Fe (5.1 percent) is lower than in New Mexico (6 percent) as of 2023.
- National and regional trends like an aging population, work from home, ecommerce, and the housing crisis impact Santa Fe. Santa Fe city and county have a higher percentage of workers working from home than the state.
- LANL’s workforce dynamic influences the Santa Fe housing market and its affordability, as many of LANL’s employees choose to reside in the city.

Employment and Workforce:

- Santa Fe’s employment has grown by 10 percent in the last decade, which is a higher rate than the county and state.

- The four largest industries: healthcare and social assistance, public administration, retail trade, and accommodation and food services, account for over half of the total employment in Santa Fe.
- The fastest growing sector by numeric and percentage change of jobs is “Administration and Support, Waste Management and Remediation,” which includes routine support activities for the day-to-day operations of other organizations and those specializing in waste management, followed by the “Information” industry.
- Healthcare and Social Assistance lost the most jobs of any sector between 2012 and 2022, and Manufacturing was the fastest shrinking sector by percentage loss.
- The average and minimum wage are higher in Santa Fe than in New Mexico.
- Finance and Insurance, Mining, Management of Companies, Information, and Professional/Scientific/Technical services are the highest-paying job sectors in Santa Fe. Information also has some of the fastest growing wages.
- Retail, Agriculture, and Accommodation and Food Services are among the lowest paying jobs. Retail and Accommodation and Food Services are two of the largest sectors in Santa Fe.
- Albuquerque and Los Alamos are the two most popular work destinations for Santa Fe residents outside of the city. Over half of Santa Fe’s population both lives and work in Santa Fe. Around 13 percent of employees in Santa Fe live in and commute from Albuquerque.
- Santa Fe has a longstanding history of small businesses, startups, and entrepreneurship support. The Small Business Development Center and the Santa Fe Business Incubator assist startups and small businesses at early stages by providing training, financial management, marketing and other services and resources.
- Housing prices and rents have increased in Santa Fe in recent decades and accelerated during the COVID-19 pandemic. Although median income has increased over that time, the pace of income growth has been significantly lower than the rise in housing costs and rents. The high cost of housing can limit economic mobility, as people may find it difficult to move to Santa Fe for job opportunities if they cannot afford housing. This has an impact on the city’s ability to attract and retain talent.

Industry Clusters:

- As state, county, and local government concentrate in Santa Fe, Government/Public Administration is the top industry and employer in the city. Most of the government offices are located in downtown Santa Fe.
- Healthcare and Social Assistance, and Accommodation and Food Services are projected to be the fastest-growing industries in the region over the next decade.
- Existing industry clusters include film and emerging media, the arts, outdoor recreation, healthcare, education, and national defense.
- Emerging clusters targeted by the Santa Fe OED include tech and advanced manufacturing, creative/experience – primarily driven by Meow Wolf – and the food sector.
- According to the Santa Fe OED, some clusters, such as film and emerging media, have a well-established ecosystem of support and incentives, whereas other clusters, like the food and healthcare sectors, lack significant support and training programs.

Tourism:

- Tourism is a substantial part of Santa Fe's economy. Although the industry is still recovering from the pandemic downturns, in 2023, Santa Fe hosted over 5.3 million trips and almost two million unique visitors.
- Diverse tourist destinations and attractions, such as the historic downtown, the Canyon Road Arts District, Ski Santa Fe, events such as the Balloon Fiesta and Santa Fe Fiesta, and Bandelier National Monument are part of what makes Santa Fe such a popular tourist destination.
- New landmark nodes like The Railyard, a revitalization of the old railway depot and service yards into a mixed-use vibrant community with entertainment, culture, and retail components, contribute to the decentralization and diversification of tourism activity from downtown.
- In 2022, around 30 percent (14,759) of jobs in Santa Fe were tourism-related, such as retail, accommodation and food services, arts, entertainment, and recreation.

Real Estate Market:

- **Office:** unlike most current office markets in the country, Santa Fe struggles with an undersupply of office space, which has led to vacancy rates ranging between 2 and 10 percent over the last 10 years. Large projects like Las Soleras Junction, with major medical and lab office space planned, will deliver more office space in Santa Fe; however, it may not suit the needs of other local businesses or new enterprises seeking to enter a new market.
- **Retail:** recent absorption¹ in Santa Fe is negative, meaning the withdrawal of retailers from some properties, though vacancy rates remain low due to scarce availability of retail spaces in Santa Fe. Most of the retail space is concentrated in downtown and along Cerrillos Road and its intersection with Rodeo Road and Airport Road.
- **Hospitality:** the market has recovered to pre-pandemic levels with occupancy rates at around 68 percent at the beginning of 2025. The average daily rate in Santa Fe hotels is roughly 50 percent higher than that of Albuquerque and the state. There are six projects with a total of 512 rooms planned in Santa Fe by 2028. Most hotels are located in downtown and along Cerrillos Road.
- **Industrial:** Santa Fe's industrial market is relatively small with a low vacancy rate (2.3 percent in 2024) and a high average asking rent (\$15.17 in 2024). There is no current or planned industrial construction in the city as of 2025. The city should investigate reasons for the low construction of industrial space and observe specific needs of potential enterprises and scientific laboratories for such spaces given the proximity to LANL.
- **Healthcare:** Santa Fe's healthcare inventory is 1.18 million square feet. The delivery of new space spiked in 2019 and 2022. The market anticipates the construction of Las Soleras Medical Junction, with a proposed 50,000 to 70,000 square feet of new medical office space set for delivery.
- Downtown and the intersection of Cerrillos Road and Airport/Rodeo Rodd/Beckner Road are main development activity nodes.

¹ Absorption refers to the rate at which available properties are sold or leased in a specific market during a given period.

8.2 Existing Plan/Project Inventory and Review

This section provides an overview of past and existing plans, strategic documents, and policies related to the economic development of Santa Fe. The 1999 General Plan is the basis of this analysis. These policies and recommendations will help guide discussion and policy development for the Santa Fe Forward Economic Development Element.

8.2.1 Review of Relevant Economic Development Policies from Current General Plan and other Plans

While Santa Fe currently lacks a unified EDS, there are several previous documents that are relevant to the economic development of the city. A common theme across all analyzed economic development strategies/plans is the diversification of Santa Fe's economy while bolstering prominent local industries, such as arts and culture, film/media, and technology. As mentioned in the General Plan Audit conducted by the City's staff, policies and initiatives for the key local industries, as well as ones supporting small businesses, have been successful. The City has hired an economic consulting firm to conduct data analysis and draft a new Santa Fe Economic Development Plan/Strategy.

8.2.1.1 1999 General Plan

The 1999 General Plan does not have a separate chapter focused on economic development. However, among 14 themes established in the 1999 General Plan, there is one called Economic Diversity with the theme's statement:

*“Develop and implement a comprehensive strategy to increase job opportunities, **diversify the economy**, and promote arts and small businesses.”*

General Plan Chapter 9 (Community Services and Development) contains **five economic development guiding policies and 20 implementing policies**. The guiding policies focus on promoting diversification of Santa Fe's economy, increasing job opportunities and wages, supporting local-serving retail uses, promoting an attractive business environment, and supporting small businesses.

Another theme that relates to the economic development component is the Community-Oriented Downtown Theme, which advocates to “put community activities back into Downtown.” The plan outlines economic development components and steps to ensure that vital services (e.g., drug, grocery, and small service stores) can return to and survive in downtown and are easily accessible to residents. Throughout the 1999 General Plan's policies, downtown is emphasized as a major cluster for economic activity in the city, though it also emphasizes, “the inclusion of employment and neighborhood centers in future development/planning areas”² and mixed-use and infill development that supports retail service and employment opportunities³.

Within the General Plan, existing **commercial activity centers** are identified as **downtown**, strips along **Cerrillos Road** and **St. Michael's Drive**, and the local Santa Fe economy is described as **small-business**

² 1999 General Plan, Chapter 3, pp. 1-13

³ 1999 General Plan, Chapter 3, Land Use, pp. 3-2

oriented. Back in 1999, there were eight employees per business on average (not including self-employed individuals), creating the need for small-business assistance and affordable spaces. Since the 1970s, Santa Fe County's economy has been dominated by government and service-oriented employment – this trend has continued to today. The General Plan prioritizes the development of industries that were successful in Santa Fe beyond tourism and government such as arts and crafts, biomedical research and manufacturing, fashion, food processing, film production and communications, furniture manufacturing, medicines, outdoor recreation equipment manufacturing, publishing, and technology transfer related to LANL.

8.2.1.2 2004 Economic Development Strategy (Angelou)

The EDS, written by Angelou Economics in 2004, is the most recent ED plan for Santa Fe. The EDS states that Santa Fe is experiencing a growing disparity between the wages earned by residents and the rising cost of living. Therefore, the EDS focuses on sustainable and strategic recommendations that are split into **five categories**, each of which has specific goals, strategies, and actions. A brief overview of each category and its focus is provided below:

- **Workforce development and education:** Focus on enhancing the value placed on education, recognizing its role in improving residents' quality of life and retaining a talented workforce. This involves investing in strong Pre-K - 12 education and rallying the community around it. Align educational and workforce development programs with the needs of the city's targeted business sectors through coordinated efforts.
- **Entrepreneurship:** Create a robust network of infrastructure, capital, and educational resources for entrepreneurs at both the local and state levels. This includes financial support and expansion of the Santa Fe Business Incubator, making business start-up information and training widely accessible, celebrating entrepreneurial successes, motivating residents to start new businesses, and ensuring the strength of existing small businesses.
- **Sites and infrastructure:** Enhance sites and infrastructure to meet the long-term needs of targeted business sectors and small, entrepreneurial businesses. Become a leader in water conservation and clean energy, improving infrastructure to support creative activities, and partnering with Santa Fe County.
- **Community development:** Foster a community and economic development environment that benefits skilled residents, small locally owned businesses, and targeted business sectors. This involves adopting a more business-friendly attitude within the City government, setting development goals to guide decisions, integrating arts and culture into economic development, and creating an attractive atmosphere for young, creative individuals.
- **Marketing and public relations:** Enhance local and national awareness of the city as a prime business location through a targeted marketing campaign. Define marketing roles for organizations involved in economic development, create a unified economic development brand, understand target audiences, secure local media support, and launch both internal and external marketing campaigns.

The EDS states that Santa Fe's leaders should foster job creation, aligning with the community's unique character, actively manage inevitable changes, and ensure new development retains the city's essence – rooted in its creative people, rich history, and vibrant arts and culture. In addition, it emphasizes that any City-supported project must offer new opportunities for the local workforce.

Further policy direction and implementation strategies, which remain relevant from the 1999 General Plan, will be brought forward and updated during the drafting of the Santa Fe Forward Economic Development element.

8.2.1.3 2014 Santa Fe County Economic Development Plan (SFCEDP)

Guided by the Santa Fe County Sustainable Growth Management Plan, the County's 20-year Economic Development Plan is organized into two parts: Strategic and Action Plans under the Santa Fe County Ordinance 1996-7. The Plan's vision statement states:

The economic development vision of Santa Fe County is to build on the rich cultural, arts, and agricultural heritage by creating a vibrant economy that is diversified, sustainable, and that promotes responsible business development. "Triple Bottom Line Economy" concept that is seeking benefits in People, Profits, and Planet.

Similar to the 1999 General Plan, Santa Fe County's main priority is to diversify its economy, as it relies on a small number of industries and employers. Three principles of the county's economic development plan are:

- **Sustainable:** Providing for the needs of current residents without compromising those of future generations
- **Authentic:** Faithful to tradition, culture, and historical values
- **Creative:** Innovating in all areas, including the arts, and extending to all sectors and industries

The SFCEDP refers to Santa Fe as a place for pioneering opportunities to start anew, to travel to, and to be on the frontier of national trends. It notes that climate change affects the economic climate and population growth in Santa Fe County and encourages communicating climate issues to all sectors of the economy. The lack of a research university within the county is identified as a missing element of a successful knowledge-based economy.

The plan provides an overview of existing systems and infrastructure that creates a baseline for the future economic development framework:

- **Property and Land:** 316,991 acres, or 26 percent of total land acres of Santa Fe County, are national parks or other federal property. Seven percent are tribal nations' lands.
- **Affordable Housing** resources should be better utilized to provide housing for low-income residents.
- **Workforce Development and Education:** Santa Fe County has multiple pipelines for supporting education and workforce organizations, such as Santa Fe Community College, and LANL.
- **Finance and Funding:** The County should continue using federal and other funding sources.
- **Telecommunications:** Basic broadband access is available throughout most of the county; faster speeds and redundancy will be needed.
- **Transportation:** Increase access to alternative forms of transportation.
- **Railways:** Amtrak rail is an important economic development opportunity for Santa Fe County and New Mexico.

- **Water** is the most important and potentially difficult system impacting economic development, as climate change and prolonged drought may cause water scarcity to the county's decentralized water system.
- **Partnerships:** SFCEDP partners with various organizations, such as City of Santa Fe (and Convention and Visitors Bureau), Regional Development Corporation, NM Partnership, Estancia Valley Economic Development Association, Native American tribes, City of Espanola, Rio Arriba County, Los Alamos County.
- **Policies:** Effective policies, codes, legislation, and ordinances are considered the most effective tools at the County level to promote economic growth.

Identified **growth industries** are agriculture, arts and culture, ecotourism and outdoor recreation, film and media, green industries (building, energy, and water), health and wellness.

In support of the SFCEDP's vision, it has 14 goals and 44 policies that are divided into two categories: (1) overarching recommendations for systems and infrastructure, and (2) target (growth) industry recommendations.

8.2.1.4 2015 Land Use and Urban Design Plan (LUUDP)

The 2015 Land Use and Urban Design Plan (LUUDP) is guided by the themes and policies established in the 1999 General Plan, including sections that emphasize the roles of existing and future employment centers.

The LUUDP contains a Centers and Corridors study of Santa Fe. Downtown, Zafarano District, and Santa Fe Place are existing retail clusters. The largest employment centers are the Siler Road Area, the Hospital Medical Complex, the Rodeo Business Park, and the Airport Road Industrial Park. New commercial centers are planned along the west side of U.S. Highway 599 by the airport. Cerrillos Road, St. Francis Drive, St. Michael's Drive, and Airport Road are considered mixed-use corridors where most of the business and commercial activities occur outside of the historic core. These corridors connect major employment and retail centers.

LUUDP sets a goal for a more diverse economy in Santa Fe – similar to the strategic plan reviewed above. It provides nine economic development goals focusing on economic challenges and opportunities, workforce housing, traditional and emerging infrastructure, land use and sustainability, regional influence of Santa Fe, and support for small businesses and startups.

8.2.1.5 2017 Economic Development Crossroads Report (EDCR)

This 2017 report provides a comprehensive assessment of Santa Fe's economic development office structure and operations, and recommends economic development strategies at the local, county, and regional levels through the lens of their impact on Santa Fe's economic development. The EDCR emphasizes the overdependence of Santa Fe on government and tourism and echoes the recommendations of previous strategic and policy documents for diversifying the local economy to make Santa Fe resilient to economic downturns. The city has a reputation for being a center for creativity and innovation, attracting startups and transplants. However, its smaller portion of young people than the state, lower than national average wages, economic inequality, and low high school graduation rates make Santa Fe a difficult place to establish a business and find qualified employees.

The report calls for updating the EDS of the city, a process that is now underway under the direction of the OED.

The report also identifies several structural impediments to the implementation of Economic Development policies:

- **Policy.** The OED is responsible for too many aspects of the city's development, from education to facilitating business recruitment. The OED focus should adhere to the long-term City goals.
- **Governance.** The report calls for creating a steering committee or an organizational structure outside of OED that would independently advocate for, facilitate, and navigate the realization of the established ED goals and priorities.
- **Metrics and Data.** Santa Fe struggles to find a way to develop the best performance measuring tools. The priority should be to implement data-driven decisions along the way.

The EDCR encourages setting the stage for a new Economic Development (ED) plan, which will serve as a guiding document for government officials, business organizations, and enterprises. It highlights the need to address structural issues to ensure the plan's success. The report critiques previous regional ED-related strategic plans for their lack of implementation strategies, accountability, communication pipelines, and realistic economic priorities. It emphasizes the **need to reassess industry clusters** like Film/Media/Publishing, Green/Renewable energy, Arts/Culture, and Technology, which were **previously prioritized based on aspirations rather than established strengths**.

The report includes a strengths, weaknesses, opportunities, and threats (SWOT) analysis, identifying strengths, such as **branding, quality of life, creativity, and tourism**, while noting weaknesses like **economic diversity, educational attainment, wages, business climate, and accountability**.

Opportunities include marketing improvements, leveraging tourism successes, talent recruitment, and systemic ED solutions, while threats involve economic downturns, policy changes, and reliance on traditional tourism. Key elements of OED work assessed in the report include entrepreneurial and business support, industry clusters, financing, marketing, convening, recruiting, data-driven decision-making, workforce support, localism, education, business climate, infrastructure, tourism, and quality of life. EDCR calls for a comprehensive approach to address these areas, ensuring a robust and sustainable economic future for Santa Fe.

8.2.1.6 Industry Cluster Summary

Table 8-1 shows a summary of industry clusters in Santa Fe and the region that were included in the various economic development documents discussed above. The focus of clusters varies across strategic documents. The film/media/publishing cluster is the only one that is mentioned in all eight reports. Other priority clusters that are common in these plans are arts and culture, green and renewables, technology, and agriculture.

Table 8-1. Matrix of Industry Clusters Defined in Past Strategy Reports

Industry Cluster	Angelou 2004	Angelou Revision 2008	SF County 2014	REDI 2009	City ED Priorities 2009	NCNM-EDD 2011-12	City Draft 2015	2015 NM Jobs Council
Film/Media/Publishing								
Arts/Culture								
Green/Renewable								
Technology								
Agriculture								
Export Services								
Health & Wellness								
Outdoor Gear MFG								
Tourism								
Government								
Solo Workers								
Ecotourism/Outdoor								
Design								
Hospitality								
Conservation Tech								
Software								
Education								
Biotech								
Energy/Extractive								
Retirement								
Manufacturing								
Security								

- Primary Cluster
- Secondary Cluster

Source: The City of Santa Fe's 2017 Economic Development Crossroads

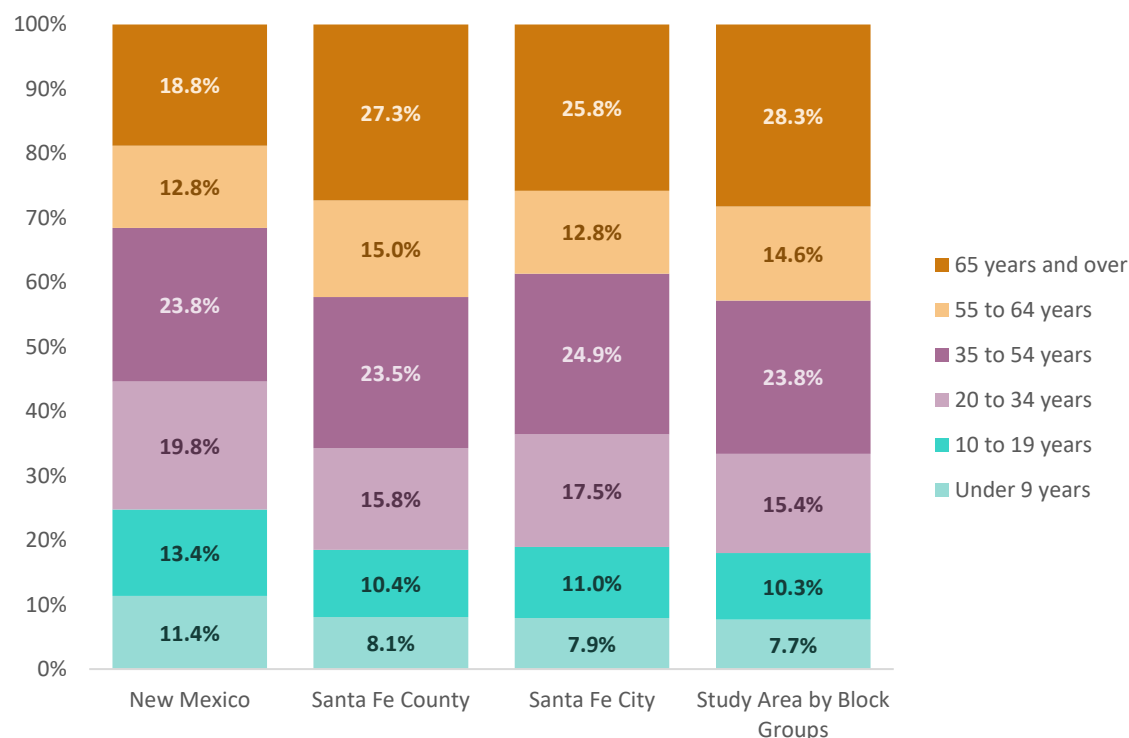
8.3 Local and Regional Demographic Drivers and Trends

Understanding demographics at the local and regional levels is crucial for directing the goals and policies in economic planning. This section reviews local and regional demographic drivers impacting Santa Fe and trends that will continue or may emerge due to local or regional changes. Tailoring economic development policies and goals towards the needs of current residents without compromising economic needs of future generations will help to frame the Santa Fe Forward Economic Development Element for long-term goals.

8.3.1 Age

Santa Fe's population has been aging consistently in the twenty-first century and has a higher share of older residents than the state. Figure 8-1 shows the breakdown of Santa Fe's population by age bracket. Overall, Santa Fe has a much higher median age of 46.4 when compared to the New Mexico median age of 39.2. **Since 2000, the median age in Santa Fe has increased by 6.6 years.** This is driven by a significantly larger share of individuals under 19 years old (24.8 percent) in the state compared to Santa Fe (18.9 percent) and Santa Fe County (18.5 percent), as well as a smaller share of individuals between 20 to 34 years old. In contrast, Santa Fe County's share of people 65 years or older (27.3 percent) is higher than Santa Fe's (25.8 percent), the Study Area's⁴ (28.3 percent), and the state's (18.8 percent).

Figure 8-1. Age Distribution in Study Area and Santa Fe with Regional Comparison, 2023



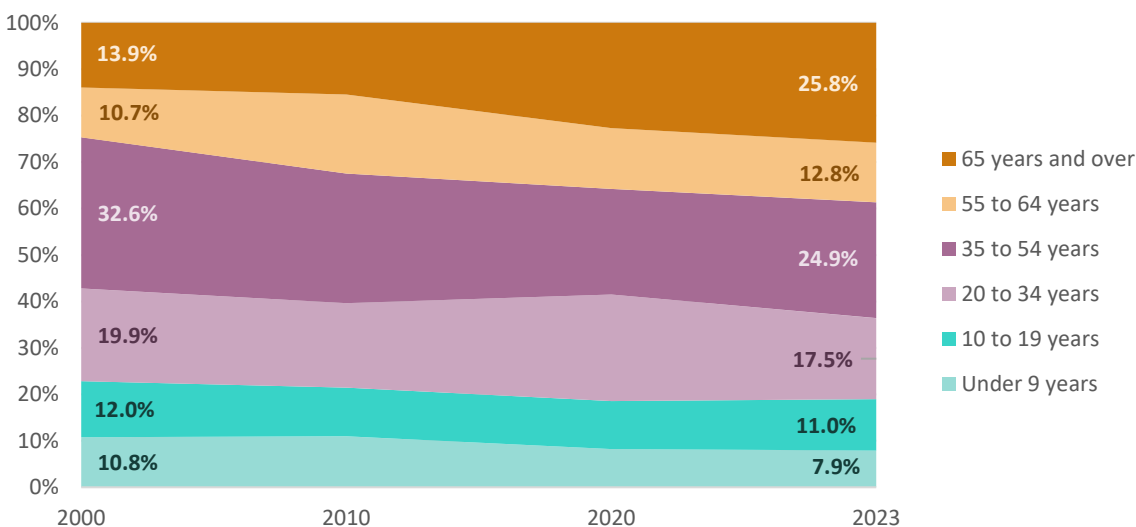
Source: U.S. Census Bureau, ACS 5-year Estimates

Between 2000 and 2020, the population distribution in Santa Fe has changed significantly, following the national trend of an aging population. The median age in the city increased from 39.8 in 2000 to 46.4 in 2023. According to the 2023 ACS 5-year Estimate, over 25 percent of the population is 65 or older, which is a 12-percentage point increase from the 2000 Decennial Census. Conversely, the under nine years old population decreased from 10.8 to 7.9 percent during the same time period. The population aged 35 to 54 years has shrunk from 32.6 percent to 24.9 percent. Overall, Santa Fe's aging population trend is significant, and the young and young adult population is shrinking. This age distribution will impact the

⁴ Where the study area is not mentioned, data was not disaggregated to that level of analysis.

diversity of economic activity and services that different population groups will need. Figure 8-2 below shows the overall age distribution, by cohort, of Santa Fe since the year 2000.

Figure 8-2. Age Distribution in Santa Fe, 2000, 2010, 2020, 2023



Source: U.S. Census Bureau, Decennial Census (2000, 2010, 2020), ACS 5-year Estimates (2023)

8.3.2 Education

Santa Fe has become more highly educated over the past twenty years and has significantly higher rates of educational attainment than the state. Overall, educational attainment in Santa Fe and Santa Fe County are similar, while both are higher than New Mexico as a whole. By 2023, 91 percent of Santa Fe's population 25 years of age and over had a high school degree or higher, which is 2.3 percentage points higher than in the state; and 45.4 percent of the population had a bachelor's degree or higher, which is 15.2 percentage points higher than in the state. Over one-third of Santa Fe residents with a high school diploma or higher are 65 years old or over. Moreover, 41 percent of the population with a bachelor's degree or higher are seniors, which has been the fastest growing segment of the population, and likely the largest driver of the increased percentage of population with a bachelor's degree or higher. This is followed by the population of 45 to 64, with 31.4 percent having a college degree. Furthermore, the high educational attainment in Santa Fe is likely influenced by the proximity to LANL, as many employees reside or retire in Santa Fe. That said, Santa Fe's increases in educational attainment rate are likely driven by the in-migration of highly educated newcomers, who work in LANL and other scientific and technology enterprises or choose the city for a retirement residence, rather than accurately reflecting an improvement in the educational system and programs for Santa Fe's young residents. Thus, the educational characteristics of Santa Fe's population only partially affect its workforce, as a significant part of the highly educated demographic are retirees. Table 8-2 below compares educational attainment across the City of Santa Fe, Santa Fe County, and the state of New Mexico as a whole.

Table 8-2. Educational Attainment in Santa Fe with Regional Comparison, 2000, 2010, 2020, 2023

	Santa Fe	Santa Fe County	New Mexico
2023			
High school graduate or higher	91.0%	91.4%	87.7%
Bachelor's degree or higher	45.4%	44.2%	30.2%
2020			
High school graduate or higher	89.9%	89.8%	86.5%
Bachelor's degree or higher	42%	40.7%	28.1%
2010			
High school graduate or higher	88.1%	86.3%	82.7%
Bachelor's degree or higher	44.3%	40%	25.5%
2000			
High school graduate or higher	84.6%	84.5%	78.9%
Bachelor's degree or higher	40%	36.9%	23.5%

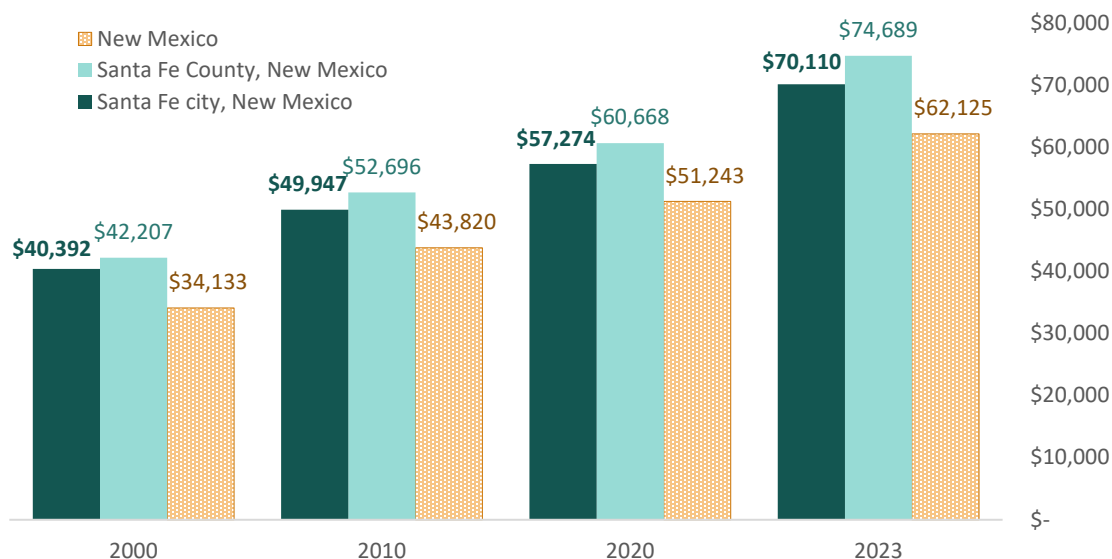
Source: U.S. Census Bureau, ACS 5-year Estimates (2023, 2020, 2010); Decennial Census (2000)

8.3.3 Income

Historically, Santa Fe has had higher incomes than the state, but lower than the county, as a whole.

Santa Fe and Santa Fe County have had higher median household incomes than the state's median for the last two decades. Between 2000 and 2023, Santa Fe's median household income grew by **73.6 percent, from \$40,392 to \$70,110**, a slower rate than in the county (77 percent) and across New Mexico (82 percent). Because county incomes have grown faster than in the city, the gap between the city and county median household income is increasing. Figure 8-3 below shows a comparison of median household income between the City of Santa Fe, Santa Fe County, and the state of New Mexico, since the year 2000.

Figure 8-3. Median Household Income in Santa Fe with Regional Comparison, 2000, 2010, 2020, 2023

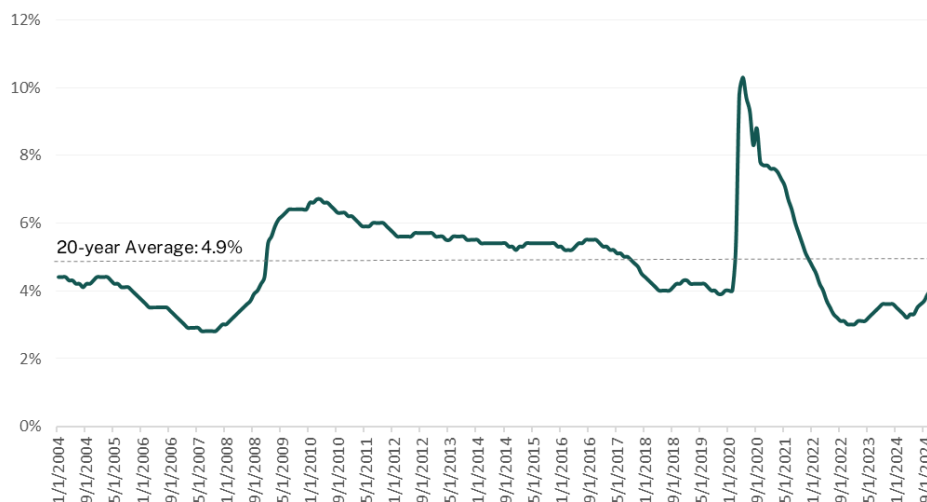


Source: U.S. Census Bureau, ACS 5-year Estimates (2023, 2020, 2010); Decennial Census (2000)

8.3.4 Unemployment

Santa Fe's relatively strong labor force participation indicates its aging population is having less of an effect on the labor force than one might expect. Nationwide, labor force participation has declined in recent decades, as aging baby boomers have retired, and more young adults enter college. Figure 8-4 shows the unemployment rate in Santa Fe Metropolitan Statistical Area (MSA), which mirrors Santa Fe County boundaries, over the last two decades. According to the U.S. Bureau of Labor Statistics, in 2024, the average unemployment rate in Santa Fe MSA/County was 3.6, which is 1.3 percentage points lower than the 20-year average of 4.9 percent.

Figure 8-4. Unemployment Rate in Santa Fe, NM (MSA), 2004-2024



Source: U.S. Bureau of Labor Statistics via St. Louis Federal Reserve (FRED)

8.3.5 National and Regional Emerging Trends

8.3.5.1 Work from Home

A global trend of working from home has accelerated due to the COVID-19 pandemic. While it has slowed down in the post-pandemic era, as some employers are bringing their workers back to offices, the trend is likely to stay considering the increase in hybrid work. According to the U.S. Census Bureau 2023 Journey-to-Work Report, around 18 percent of nationwide workers were home-based in 2021. This trend has continued in the following years and represents a lasting shift to work from home in the United States.⁵

Some industries are more geared to remote work. Tech and computer science industries are at the forefront of the trend as a significant portion of the work can be performed remotely. Accounting and finance, marketing, project management, and sales occupations are also well-suited to remote work. A growing trend of telemedicine and the health tech industry brings more opportunities for health care professionals and organizations to provide their services remotely.

In 2023, 16.2 percent of workers were working from home in Santa Fe, which is similar to the county rate of 17 percent and 5.2 percentage points higher than New Mexico, as a whole. Almost 60 percent of remote employees in Santa Fe work in professional, scientific, management, and administrative and waste management services, educational services, and healthcare and social assistance. These industries are at the forefront of remote work at the county and state levels, followed by information, finance, and real estate industries. Table 8-3 below shows how many people work from home, by location and industry.

⁵ Alexander Bick, Adam Blandin, Aidan Caplan and Tristan Caplan, "Trends in Work from Home in the U.S.: Insights from Six Datasets," St. Louis Fed On the Economy, Dec. 20, 2024, <https://www.stlouisfed.org/on-the-economy/2024/dec/trends-work-from-home-us-insights-six-datasets>

Table 8-3. Work from Home in Santa Fe with Regional Comparison, 2023

	Santa Fe	Santa Fe County	New Mexico
Worked from home			
Count	6,945	12,119	100,080
Share	16.2%	17.0%	11.0%
Worked from home by Industry			
Professional, scientific, management, and administrative and waste management services	31.3%	31.8%	24.7%
Educational services, healthcare, and social assistance	26.2%	21.9%	24.5%
Information and finance and insurance, and real estate and rental and leasing	9.6%	9.4%	10.8%
Public administration	7.2%	6.8%	6.9%
Retail trade	5.8%	5.7%	5.8%
Other services (except public administration)	5.6%	4.9%	6.2%
Arts, entertainment, and recreation, and accommodation and food services	5.3%	5.6%	4.9%
Other industries	9%	13.9%	16.2%

Source: U.S. Census Bureau, ACS 5-year Estimates

8.3.5.2 Ecommerce

Global and local trends in ecommerce continue to shape the retail landscape. When the COVID-19 pandemic hit, year-over-year growth of ecommerce sales increased by \$244.2 billion (43 percent) in 2020, according to the 2020 U.S. Census Annual Retail Trade Survey. Thus, ecommerce as a percentage of total retail continues to grow and **the demand for fast delivery options will continue to require more warehouse and distribution facilities**. Despite this growth in online shopping, post-COVID-19 years have shown the continued demand for experiential shopping such as food, dining, boutique retail and services, which will continue to largely be met through brick-and-mortar businesses.

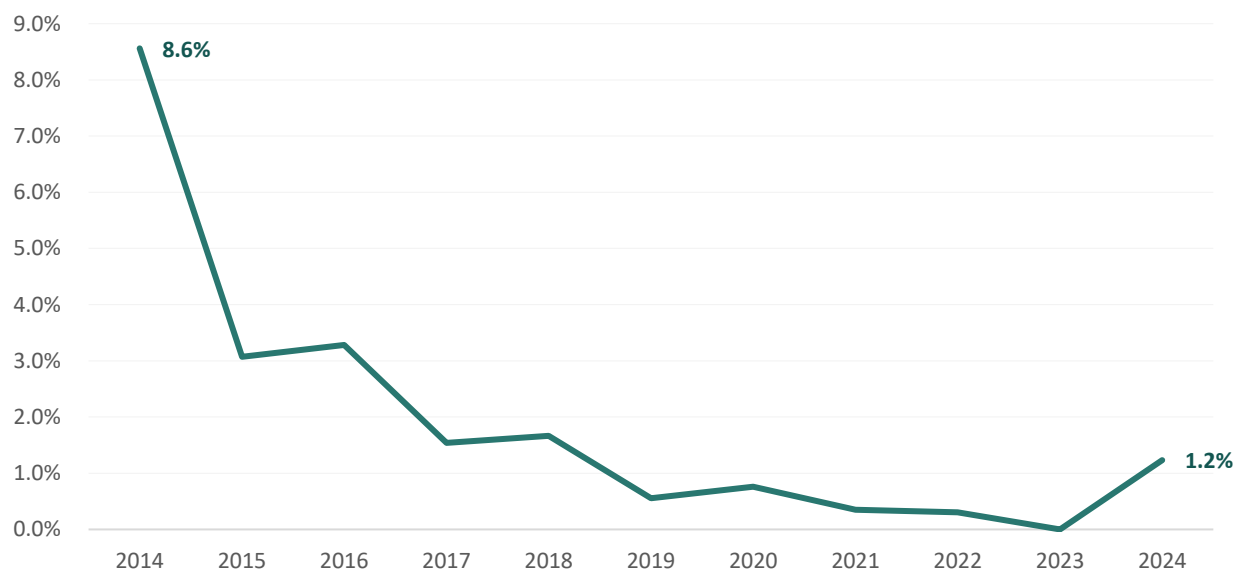
8.3.5.3 Demand for Warehousing and Distribution

Santa Fe has an opportunity to capitalize on the growing demand for warehousing as a consequence of the spread of ecommerce. Technological advancement and automation make warehouse operations more efficient. With Santa Fe's connection to Interstate 25 (I-25) and its location within 60 miles of Albuquerque, where two interstate highways, I-25 and I-40, intersect providing access to the east-west

and north-south directions, the city has an opportunity for growing the warehousing and distribution sectors. New Mexico's central location in the country makes it appealing for establishment of distribution and fulfillment centers, as confirmed by Amazon's opening of two fulfillment centers in Albuquerque and Los Lunas in the last four years.

According to the Santa Fe Dashboard Economic Summary⁶, retail trade contributes to 9.3 percent of Santa Fe's metropolitan statistical area gross domestic product. The retail industry influences the demand for warehousing and distribution as more and more sales are going online. Since 2014, the vacancy rate of warehouses in Santa Fe declined to almost zero in 2023, though in 2024 the average vacancy bounced back to 1.2 percent, which is still an exceptionally low vacancy rate. Ongoing demand for warehousing and distribution spaces is likely to continue to keep vacancy rates low unless more construction and deliveries of such space occur. Figure 8-5 below shows warehousing vacancy rates.

Figure 8-5. Warehousing Vacancy Rates in Santa Fe, 2014-2024



Source: CoStar

8.4 Employment and Workforce Profile

This employment and workforce profile provides a comprehensive overview of the current labor market dynamics in Santa Fe with regional comparison, highlighting key trends and characteristics that shape the economic landscape. This section delves into the distribution of jobs across industries, top local and regional employers that impact Santa Fe's workforce, commute patterns of local employees and residents of the city, and an overview of the policy landscape for entrepreneurship. Understanding the employment and workforce profile is crucial for formulating effective economic policies and strategies that foster sustainable development and enhance the quality of life for residents.

⁶ Santa Fe Economy & Innovation; <https://dashboards.mysidewalk.com/economy-innovation-dashboard/economic-summary>

8.4.1 Local and Regional Jobs by Sector

8.4.1.1 Change over time

Since 2012, the number of Santa Fe jobs has grown at more than double the rate of New Mexico, and slightly faster than Santa Fe County. As shown in Table 8-4, the Study Area has seen the highest growth rate among the comparison geographies, with 11.4 percent. Both have seen an average annual growth of 1.1 percent in jobs. In 2022, Santa Fe jobs comprised 79 percent of Santa Fe County jobs and 6 percent of the state; the Study Area represents 92 percent of Santa Fe County jobs and 7 percent of the state.

Table 8-4. Number of Jobs in Santa Fe and the Study Area with Regional Comparison, 2012-2022

	Santa Fe	Study Area	Santa Fe County	New Mexico
Total Jobs				
2012	45,261	51,988	57,878	774,270
2022	50,136	57,933	63,008	815,514
Change over time	10.8%	11.4%	8.9%	5.3%

Source: LEHD Data via Census OnTheMap

8.4.1.2 Jobs by Sector

Table 8-5 below shows the breakdown of jobs by sector in Santa Fe. Over half of the jobs (56 percent) in Santa Fe and the Study Area (53 percent) are shared by the region's four largest sectors: **healthcare and social assistance, public administration, retail trade, and accommodation and food services**.

One of the fastest growing industries by the number of jobs gained and percentage growth is **administration, support, waste management and remediation**⁷, which added 2,183 jobs between 2012 and 2022, or 146.1 percent growth. The **information** industry increased by over one thousand jobs, doubling its total. The third significantly growing industry by numeric job change is professional, scientific, and technical services, gaining 583 new jobs in the same period.

In Santa Fe and the Study Area, **utilities** and **mining** are the fastest growing industry sectors with more than double job growth, although they represent 0.5 to 0.6 percent of jobs in the area. Whereas mining has been growing in Santa Fe County overall (70 new jobs or 116.7 percent increase), the state has lost 8.5 percent of jobs in this sector. **Transportation and warehousing** is the top growing industry in New Mexico, with 40 percent growth between 2012 and 2022, and had job gains between 62 and 85 percent in the Study Area and other comparison areas. The **arts, entertainment, and recreation** industry, one of the major parts of Santa Fe's economy, has shown a slight but sustainable increase in jobs in the city and

⁷ Administration, support, waste management and remediation is a broad sector category as defined by the U.S. Bureau of Labor Statistics NAICS-code 56. It is made up of a wide range of jobs with the most common employers being cleaning companies, staffing and temp agencies, environmental cleanup firms, office management companies, landscaping services, waste disposal and recycling companies, and private security firms.

the study area (33.0 and 27.7 percent, respectively). This is notable, as this industry lost jobs at the county and state levels.

Table 8-5. Jobs by Sector in Santa Fe and the Study Area with Regional Comparison, 2022

NAICS Industry Sector	Santa Fe (2022)		Study Area (SF GPU) (2022)		Santa Fe County (2022)		New Mexico (2022)	
	Count	Share	Count	Share	Count	Share	Count	Share
Healthcare and Social Assistance	7,183	14.3%	8,012	13.8%	8,746	13.9%	139,254	17.1%
Public Administration	7,151	14.3%	8,076	13.9%	8,528	13.5%	49,826	6.1%
Retail Trade	7,004	14.0%	7,269	12.5%	7,942	12.6%	94,336	11.6%
Accommodation and Food Services	6,531	13.0%	7,449	12.9%	8,529	12.6%	85,453	10.5%
Administration & Support, Waste Management and Remediation	3,677	7.3%	4,150	7.2%	4,295	6.8%	47,523	5.8%
Professional, Scientific, and Technical Services	2,895	5.8%	3,254	5.6%	3,477	5.5%	65,236	8.0%
Educational Services	2,854	5.7%	4,002	6.9%	4,294	6.8%	75,069	9.2%
Construction	2,243	4.5%	3,189	5.5%	3,517	5.6%	52,746	6.5%
Other Services (excluding Public Administration)	2,159	4.3%	2,855	4.9%	3,003	4.8%	20,888	2.6%
Information	2,095	4.2%	2,249	3.9%	2,293	3.6%	15,844	1.9%
Finance and Insurance	1,479	2.9%	1,525	2.6%	1,588	2.5%	23,634	2.9%
Arts, Entertainment, and Recreation	1,224	2.4%	1,690	2.9%	2,205	3.5%	15,019	1.8%
Transportation and Warehousing	932	1.9%	948	1.6%	954	1.5%	27,750	3.4%
Wholesale Trade	703	1.4%	933	1.6%	951	1.5%	20,576	2.5%
Manufacturing	635	1.3%	810	1.4%	833	1.3%	29,286	3.6%
Real Estate and Rental and Leasing	581	1.2%	652	1.1%	734	1.2%	10,646	1.3%
Management of Companies and Enterprises	359	0.7%	369	0.6%	370	0.6%	6,063	0.7%

NAICS Industry Sector	Santa Fe (2022)		Study Area (SF GPU) (2022)		Santa Fe County (2022)		New Mexico (2022)	
	Count	Share	Count	Share	Count	Share	Count	Share
Utilities	159	0.3%	172	0.3%	271	0.4%	5,930	0.7%
Agriculture, Forestry, Fishing and Hunting	142	0.3%	186	0.3%	333	0.5%	9,624	1.2%
Mining, Quarrying, and Oil and Gas Extraction	130	0.3%	143	0.2%	145	0.2%	20,811	2.6%
Total	50,136		57,933		63,008		815,514	

Source: LEHD Data via Census OnTheMap

Healthcare and social assistance, retail trade, and manufacturing are among the top industries that had a **significant decrease in the number of jobs**, losing 470, 369, and 301 jobs, respectively, between 2012 and 2020. The manufacturing industry lost around 33 percent of jobs in the city and Study Area between 2012 and 2022. This trend is relevant to the county. Real estate and leasing, wholesale trade, and retail trade have been following the declining patterns. Employment in the retail trade sector was declining prior to the COVID-19 pandemic and recovered to the pre-pandemic levels in 2022. Although healthcare and social assistance is the largest sector by jobs in the city, there was a job decline of 6.1 percent in the sector between 2012 and 2022, which resonates with a similar decline at the county level (7.1 percent), while at the state level there is 10.5 percent job growth in that sector. Table 8-6 below compares jobs by industry sector between the City of Santa Fe and the region.

Table 8-6. Jobs by Sector in Santa Fe with Regional Comparison, 2012-2022

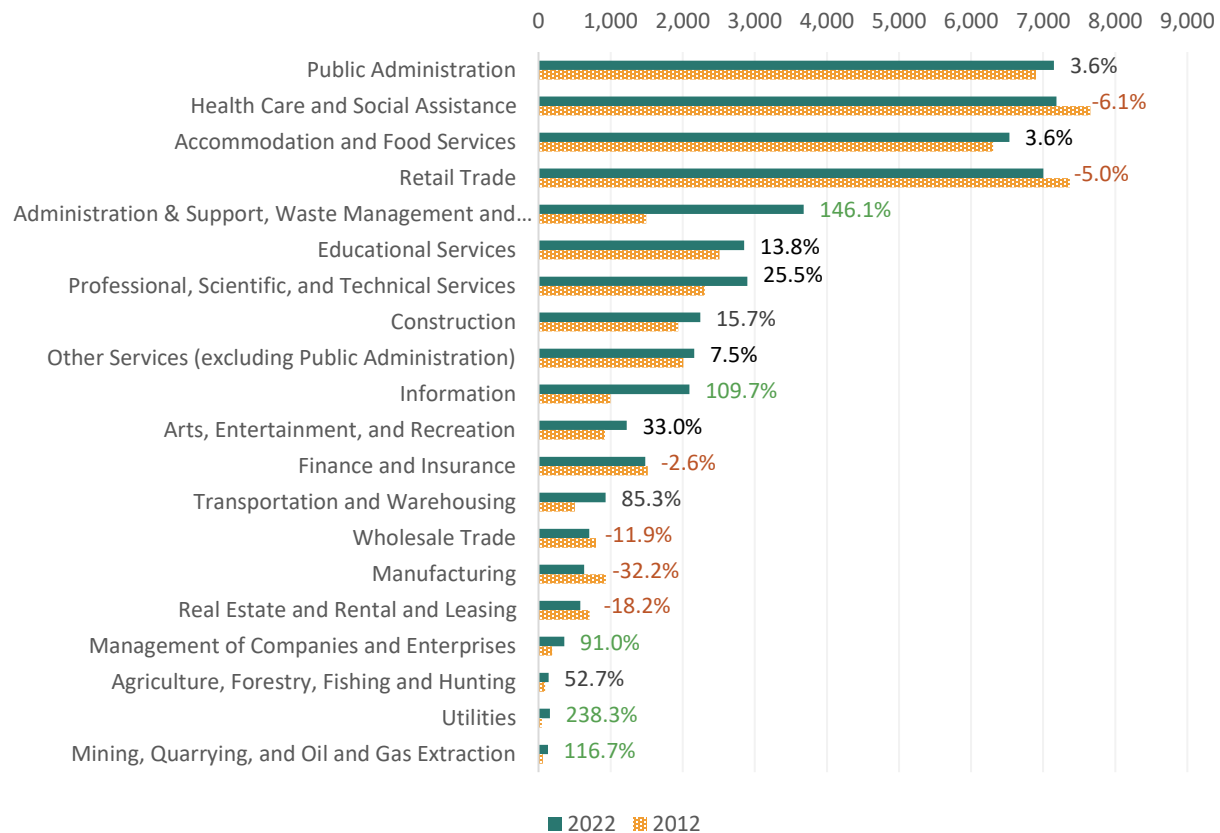
Industry Sector	Santa Fe 2012	Santa Fe 2022	Numeric Change	Percent Change
Public Administration	6,902	7,151	249	3.6%
Healthcare and Social Assistance	7,653	7,183	-470	-6.1%
Accommodation and Food Services	6,305	6,531	226	3.6%
Retail Trade	7,373	7,004	-369	-5.0%
Administration & Support, Waste Management and Remediation	1,494	3,677	2,183	146.1%
Educational Services	2,509	2,854	345	13.8%
Professional, Scientific, and Technical Services	2,306	2,895	589	25.5%
Construction	1,938	2,243	305	15.7%
Other Services (excluding Public Administration)	2,009	2,159	150	7.5%
Information	999	2,095	1,096	109.7%
Arts, Entertainment, and Recreation	920	1,224	304	33.0%
Finance and Insurance	1,518	1,479	-39	-2.6%
Transportation and Warehousing	503	932	429	85.3%

Industry Sector	Santa Fe 2012	Santa Fe 2022	Numeric Change	Percent Change
Wholesale Trade	798	703	-95	-11.9%
Manufacturing	936	635	-301	-32.2%
Real Estate and Rental and Leasing	710	581	-129	-18.2%
Management of Companies and Enterprises	188	359	171	91.0%
Agriculture, Forestry, Fishing and Hunting	93	142	49	52.7%
Utilities	47	159	112	238.3%
Mining, Quarrying, and Oil and Gas Extraction	60	130	70	116.7%
Total	45,261	50,136	4,875	10.8%

Source: LEHD Data via Census OnTheMap

Figures 8-6 to 8-8 show a change in jobs by sector in Santa Fe, the Study Area, Santa Fe County, and New Mexico between 2012 and 2022. The bars represent the number of jobs in each area, and the accompanying percentage is the percentage change between 2012 and 2022. Red numbers represent negative growth, whereas black numbers represent positive growth, and green numbers represent growth over 100 percent.

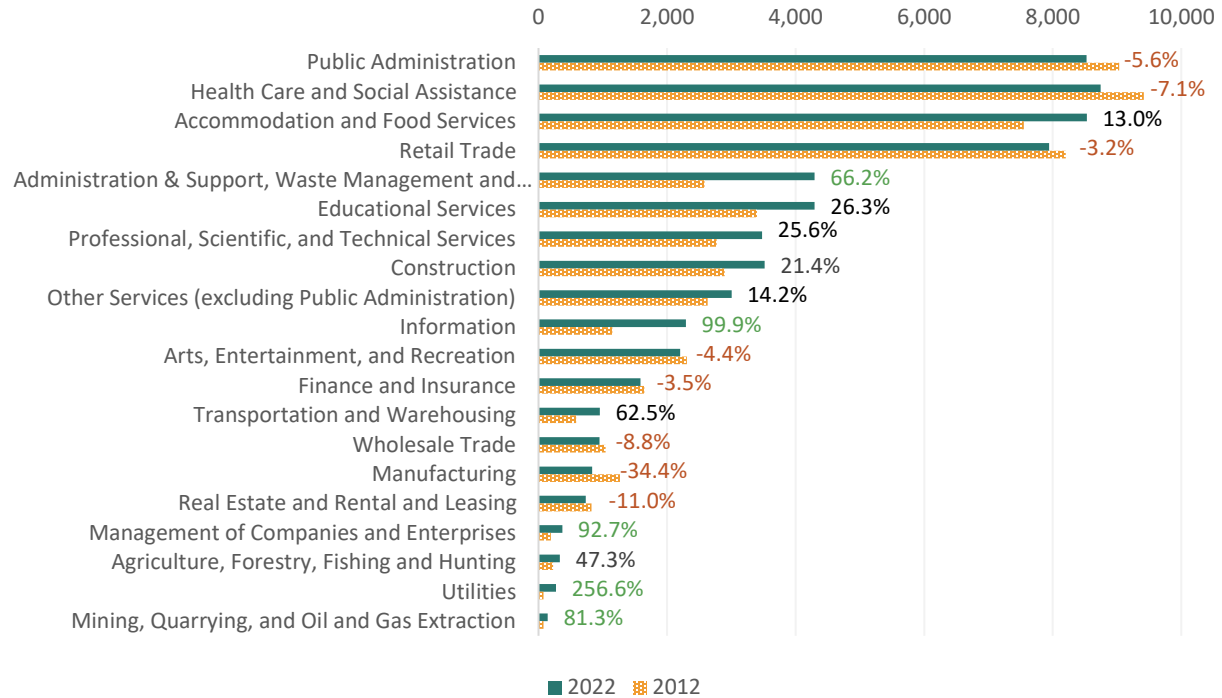
Figure 8-6. Jobs Change by Sector in Santa Fe, 2012-2022



Source: LEHD Data via Census OnTheMap

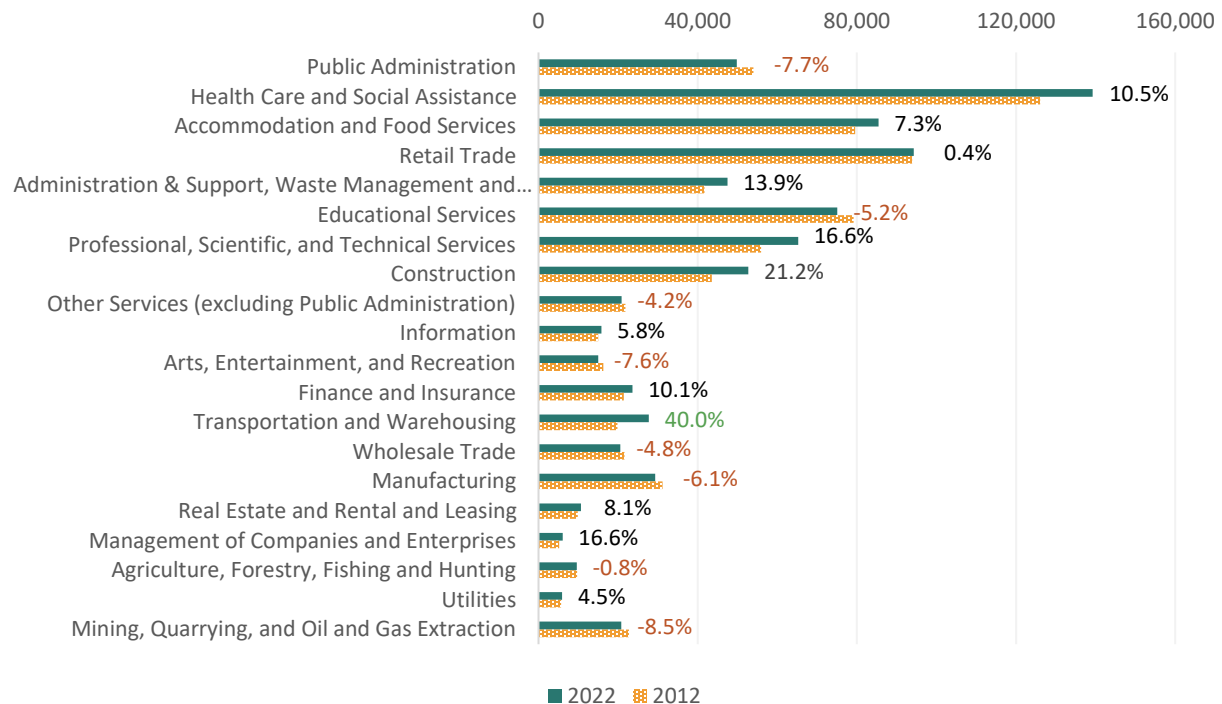
Employment in Santa Fe (city, study area, and county) is highly dependent on four major sectors: public administration, healthcare and social assistance, retail trade and accommodation and food services. All these industries historically have been the core of Santa Fe's economy which is driven by the government and tourism sectors and related services. Nevertheless, a sustainable economic future and the attractiveness of the region for new businesses will depend on the diversification of the economy. Santa Fe has the potential to grow the **professional, scientific, and technical services** sectors that currently represent a higher share of jobs at the state level (mostly due to the location of the LANL in Los Alamos County). The strategy to increase professional and scientific services will require investments in the **educational sector** boosting jobs growth in the sector, which is currently larger at the state level than in Santa Fe county or city. More intensive support of the Santa Fe school system through programs and financing may provide a foundation for increasing the quality of education that is a prerequisite for hiring pool of professionals in this sector.

Figure 8-7. Jobs Change by Sector in Santa Fe County, 2012-2022



Source: LEHD Data via Census OnTheMap

Figure 8-8. Jobs Change by Sector in New Mexico, 2012-2022



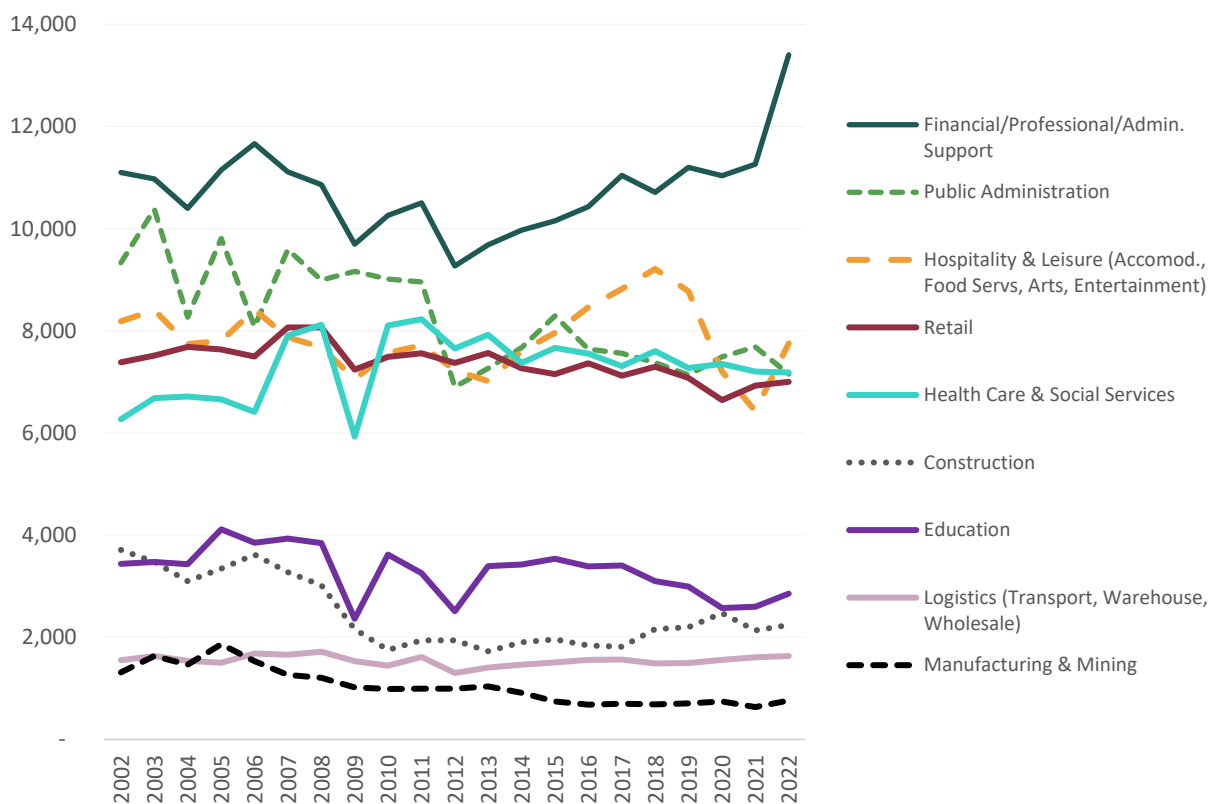
Source: LEHD Data via Census OnTheMap

Figure 8-9 shows the change in the number of jobs in the aggregated sectors representing multiple categories of data in the charts above. The administration and support, waste management and remediation, as well as information and professional services industries sectors, both of which have rapidly grown since 2012, are driving the growth in jobs in the aggregated financial, professional, administrative support, and other service sector. While public administration has declined over the last two decades, it has remained among the largest sectors by job count and has a significantly higher presence in the Santa Fe job market compared to the state (see Figure 8-10).

Healthcare and social assistance have stayed among the largest industries in Santa Fe. Whereas at the state level, this industry has been growing steadily since 2002 and is the second largest among the aggregated industry sectors. Statewide, the healthcare industry has experienced health care worker shortages, largely driven by the state's Gross Receipts Tax on medical services and other regulatory and financial burdens that have affected Santa Fe more than other places in the state, leading to a decline in the sector at the local level.

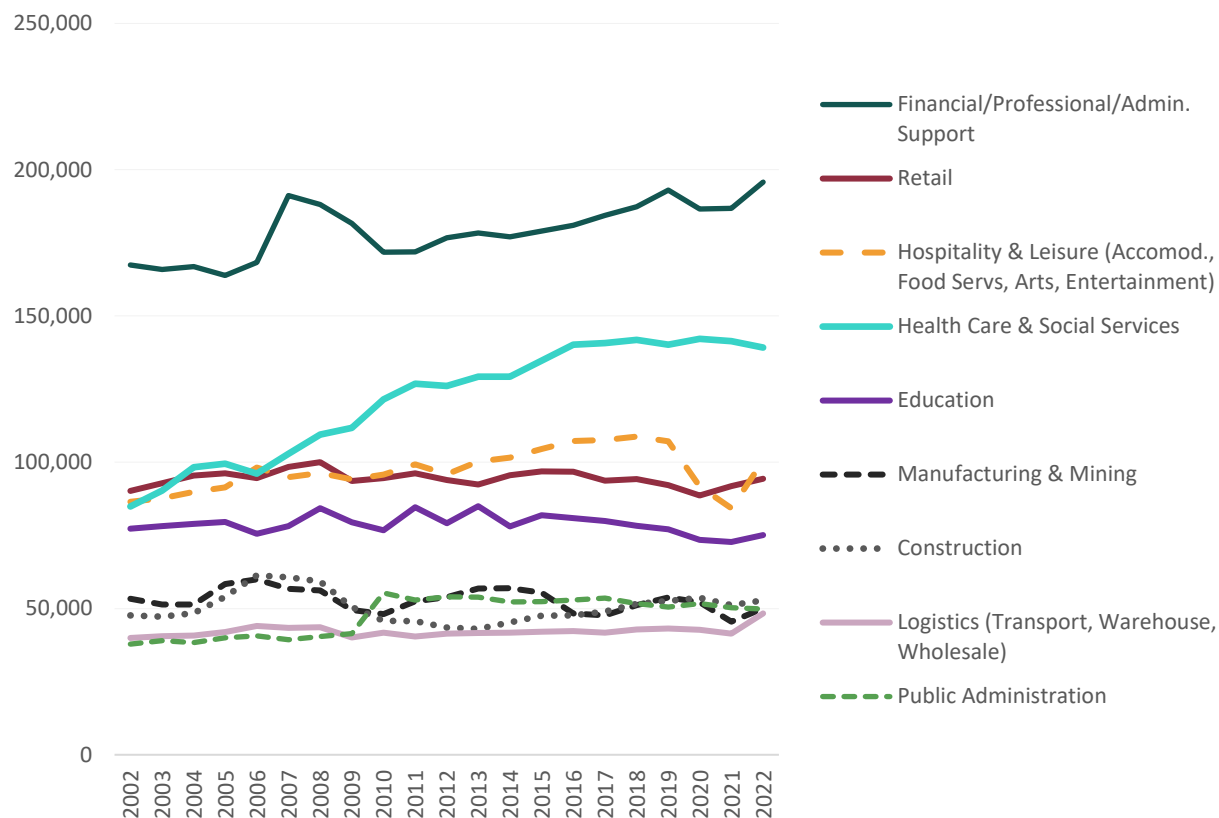
Jobs in hospitality and leisure increased between 2013 and 2019 and significantly declined since the beginning of the COVID-19 pandemic. The sector is still recovering after the pandemic downturn in Santa Fe and New Mexico overall. Retail trade has not experienced significant changes in the job count at either the local or state level and has stayed among the largest industry sectors.

Figure 8-9. Job Number Change by Sector in Santa Fe, 2002-2022



Source: LEHD Data via Census OnTheMap

Figure 8-10. Jobs Number Change by Sector in New Mexico, 2002-2022



Source: LEHD Data via Census OnTheMap

8.4.1.3 Wages by Sector

As of March 2025, the minimum wage in Santa Fe City and County is \$15.00 per hour, which is 25 percent higher than the state-required minimum. Table 8-7 below shows the average wage by sector in both Santa Fe County and New Mexico⁸. On average, **wages in Santa Fe County are 8 percent higher than in the state**. The highest wage jobs in Santa Fe County are in the finance and insurance sector, with the average wage per hour estimated at \$63.70. This is 1.7 times higher than the average wage in this sector across the state. Mining, management, information, and professional, scientific, and technical services are among the next highest paid jobs in the county and state. Professional, scientific, and technical services wages in Santa Fe County are \$7.00 lower than the state average. Retail trade, agriculture, and accommodation and food services are among the lowest-paid jobs in both the county and state, with accommodation and food services being the lowest. The accommodation and food services and retail sectors make up the third and fourth highest number of jobs in Santa Fe, respectively. Thus, **over a quarter of jobs in the county and Santa Fe are low-wage jobs¹, representing a significant part of the workforce**.

⁸ The wage data from Quarterly Census of Employment and Wages (QCEW) is not available at the city level.

Table 8-7. Wages by Sector in Santa Fe County and New Mexico, 2023

NAICS Industry Sector	Average Wage per Hour (Santa Fe County)	Average Wage per Hour (New Mexico)	Difference in %
Finance and Insurance	\$63.70	\$37.53	70%
Mining, Quarrying, and Oil and Gas Extraction	\$50.55	\$47.48	6%
Management Of Companies and Enterprises	\$47.48	\$44.73	6%
Information	\$43.45	\$34.73	25%
Professional, Scientific, and Technical Services	\$42.13	\$49.13	-14%
Utilities	\$37.38	\$40.15	-7%
Public Administration	\$35.40	\$35.43	0%
Healthcare and Social Assistance	\$33.85	\$26.30	29%
Wholesale Trade	\$33.80	\$34.73	-3%
Real Estate and Rental and Leasing	\$28.73	\$25.18	14%
Arts, Entertainment, and Recreation	\$26.65	\$17.25	54%
Educational Services	\$26.23	\$27.93	-6%
Construction	\$25.93	\$30.98	-16%
Other Services (except Public Administration)	\$25.53	\$22.40	14%
Transportation and Warehousing	\$25.00	\$28.63	-13%
Manufacturing	\$22.58	\$31.18	-28%
Administrative and Support and Waste Management and Remediation Services	\$20.65	\$24.88	-17%
Retail Trade	\$19.38	\$17.25	12%
Agriculture, forestry, Fishing and Hunting	\$19.08	\$19.50	-2%
Accommodation and Food Services	\$16.30	\$12.58	30%
Average	\$32.19	\$30.40	8%

Source: New Mexico Jobs - Quarterly Census of Employment and Wages (QCEW)

8.4.2 Top Employers in Santa Fe

Government:

- **State of New Mexico.** As the state capital, the State of New Mexico makes up a substantial portion of Santa Fe's employment.
- **City of Santa Fe** is the second largest government employer in the area. There are more than 1,400 employees, according to the City of Santa Fe Human Resources webpage.
- **Santa Fe County** has approximately 850 positions (Santa Fe County webpage).

Healthcare:

- **Christus St. Vincent Regional Medical Center** is a major healthcare provider in the region and the oldest hospital in the State of Mexico, established in 1865. The center has 2,200 employees.

Education and Social Services:

- **Santa Fe Community College** has more than 315 full-time and 400 part-time employees.
- **Santa Fe Public School District** has approximately 1,180 employees.

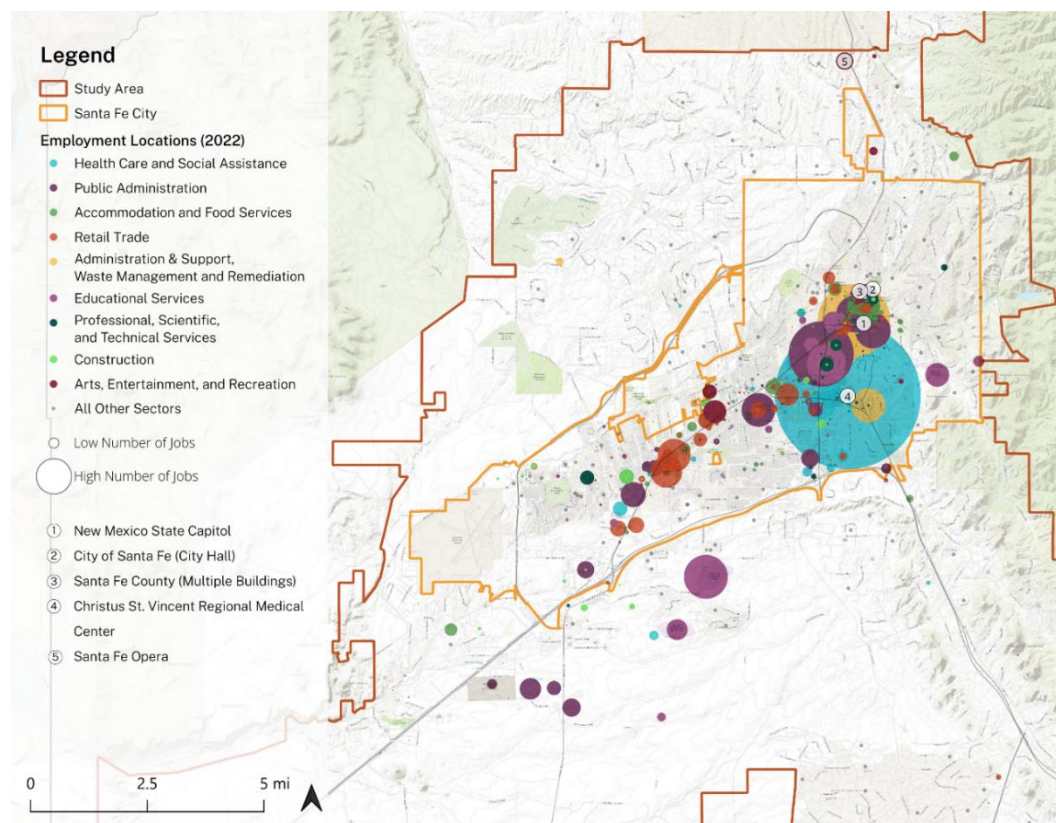
Retail Trade:

- **Walmart** and **Albertsons** are major employers in this sector.

Regional Employers:

- Santa Fe Opera has around 70 full-time staff members and over 600 seasonal employees.
- Located around 30 miles northwest of Santa Fe, LANL is a major employer in the region. Many laboratory workers live in Santa Fe. According to the LANL 2024 Economic Impact Report 2024, the LANL total workforce is about 17,925, including 1,378 contractors. Figure 8-11 displays employment location across the region by sector.

Figure 8-11. Employment Location by Sector and Top Employers



Source: LEHD Data via Census OnTheMap

8.4.3 Travel and Commute Patterns

Santa Fe

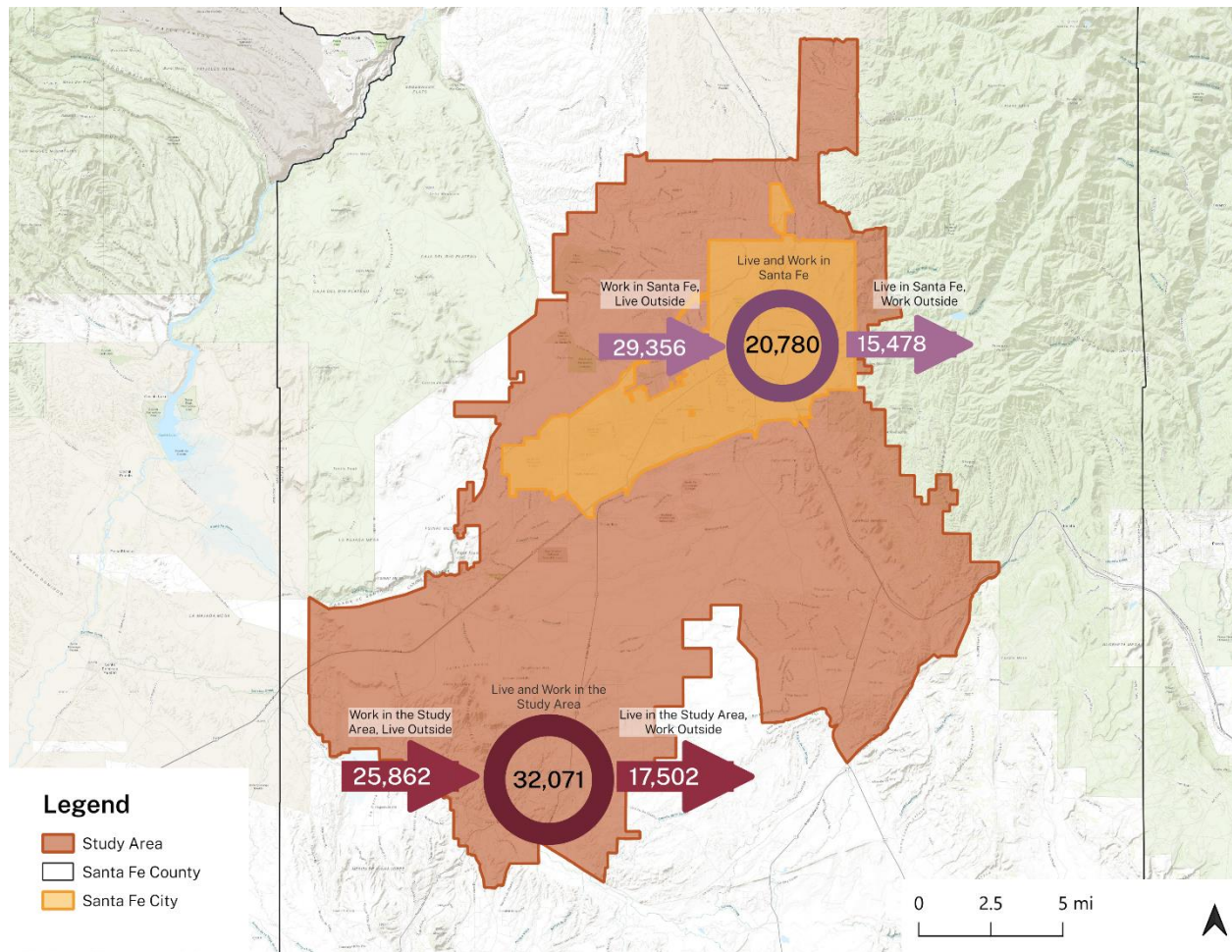
The 20,780, or 57.3 percent, of workers living in Santa Fe also work in the city. The highest destination of employment outside Santa Fe is Albuquerque (5,299; 14.6 percent), followed by Los Alamos (2,084; 5.7 percent). The second most popular place to reside for Santa Fe's employees is Albuquerque as 6,454 workers (12.9 percent) commute from there to Santa Fe. An additional 2,794 (5.6 percent) commute from Rio Rancho, which is a suburban city northwest of Albuquerque. Around 1,000 (2 percent) of Santa Fe workers live in Eldorado at Santa Fe Census Designated Place, which is within the Study Area. **Over a 10-year period between 2012 and 2022, the number of residents who live and work in Santa Fe increased by 7.3 percent, while the number of Santa Fe's residents who work in Los Alamos census-designated place (CDP) increased significantly by over four times.** This resulted in a 2.7 percentage point decrease in the share of residents who live and work in Santa Fe, while the share of residents who live in Santa Fe and work in Los Alamos CDP increased by 4.6 percentage points. This trend has likely been driven by the affordability of Santa Fe housing for workers from Los Alamos and led to a partial displacement of some Santa Fe residents. It is worth mentioning another pattern: there is a significant increase in the number of workers who work in Santa Fe and commute from Albuquerque and Rio Rancho, resulting in a 66.9 percent and 68.3 percent increase between 2012 and 2022, respectively. Although the number of employees who live in Santa Fe and work in Albuquerque has increased over the same period (by 17 percent), the increase in commuters from Albuquerque outpaced that number. This trend may be a result of more affordable housing in Albuquerque compared to Santa Fe, enticing people to look for housing beyond Santa Fe.

In 2022, Santa Fe had a job-to-housing ratio of 1.13, which is slightly below the commonly recommended target of 1.5, indicating a modest imbalance. This suggests that there may be more housing than jobs in the city, potentially leading to two outcomes: residents might struggle to find employment locally, or workers from surrounding communities may prefer to live in Santa Fe while commuting elsewhere for work. This may further support the earlier assumption that some workers may choose to reside in Santa Fe due to its affordability.

Study Area

The 44.6 percent of a total of 57,933 people employed in the Study Area live outside of it and the rest of the 55.4 percent live and work in the Study Area. The 17,502 people are employed outside of the Study Area, 40.9 percent of employees live in Santa Fe, 12.3 percent in Albuquerque, and 5.4 percent in Rio Rancho. The 7,285, or 14.7 percent, of the workforce living in the study area work in Albuquerque, and 2,911 people (5.9 percent) work in Los Alamos. Figure 8-12 displays the inflow and outflow of commuter to and from Santa Fe.

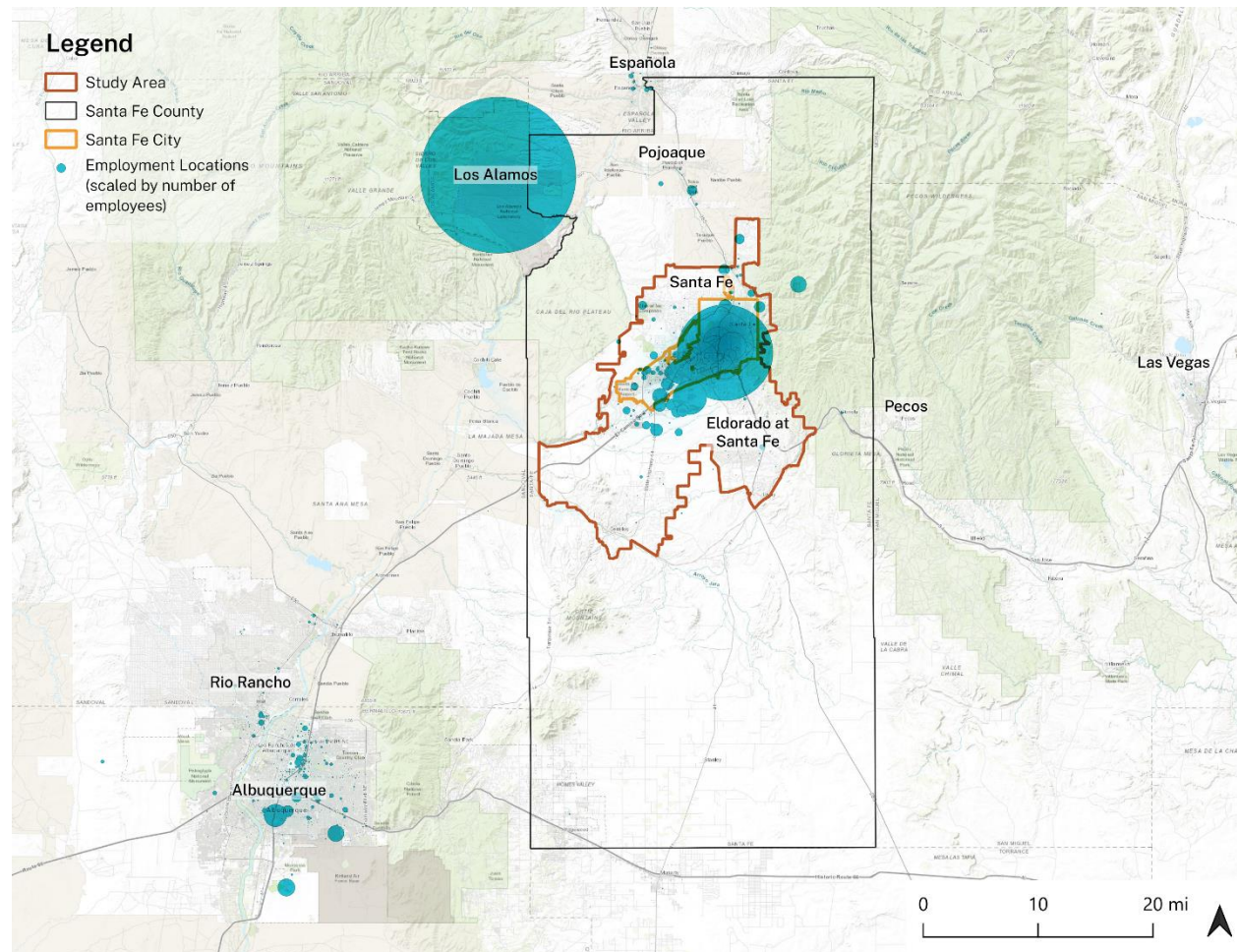
Figure 8-12. Study Area and Santa Fe Commute Data, 2022



Source: LEHD Data via Census OnTheMap

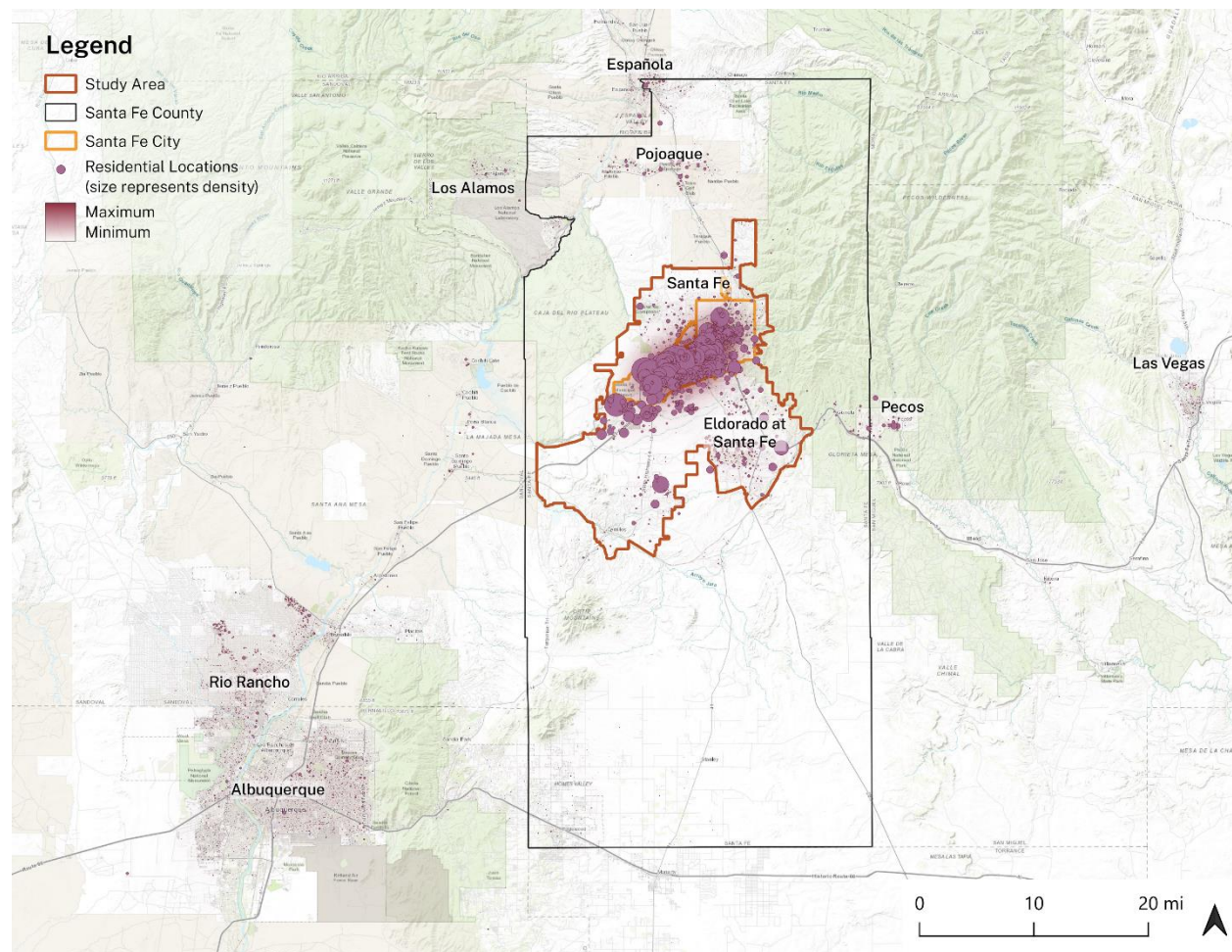
Figure 8-13 shows the major destinations for employment within the project Study Area. Figure 8-14 below displays employment clusters in the study area and nearby region.

Figure 8-13. Study Area Employment Clusters, 2022



Source: LEH Data via Census OnTheMap

Figure 8-14. Study Area Employees Home Locations, 2022



Source: LEHD Data via Census OnTheMap

8.4.4 Local Entrepreneurship and Small Business Formation

Santa Fe has a strong small business and non-commercial enterprise culture that is driven by the scientific innovation and creative entrepreneurship of the arts, crafts, and film industries. Going back to the 1999 General Plan and other subsequent plans, small business support has been mentioned as a priority:

- 1999 General Plan Economic Diversity Theme Statement and Policies (9-2-G-5 Promote small businesses; 9-2-I-6 Continue support for the Small Business Development and its Small Business Development Program; 9-2-I-7 Develop small business incubators with specific “themes” to increase the synergy of the business. Nurture startup businesses and expanding home-based businesses; 9-2-I-9 Give priority for business assistance for startup or expansion to those businesses which further the city’s goals of high export or high growth potential, expanding significant amounts on worker training, paying above-average wages, adding value to the region’s agriculture, using Santa Fe’s natural resources sparingly and responsibly, and using recycled materials).
- 2015 Land Use and Urban Design Plan (Policy 9 – Business Startups and Development).

- 2014 Santa Fe County Economic Development Plan (Policy 1.2 Build Capacity: Foster active partnerships with local business support programs to enhance target industries).

The following list highlights the major organizations and programs supported by the City and OED that are focused on small business formation in Santa Fe:

- Small Business Development Center (SBDC) at the Santa Fe Higher Education Center assists Santa Fe County's startups and existing businesses without charging them by consulting and providing training. SBDC has expertise in small business planning, financial management, and marketing and helps with government contracting, international trade, and technology commercialization/Intellectual Property assistance. SBDC is one of 18 centers in the New Mexico Small Business Development Center Network, which is fully accredited by the national organization America's SBDC. The New Mexico State Legislature and the U.S. Small Business Administration fund this program.
- The Venture Acceleration Fund provides investments of up to \$100,000 in northern New Mexico (Los Alamos, Santa Fe, Sandoval, Rio Arriba, Taos, and Mora counties) businesses. The fund's primary goal is to invest in local businesses that can create jobs. The fund invests around \$350,000 per calendar year. Since its establishment in 2006 and through 2013, a total contribution of \$3.2 million in 49 northern New Mexico companies has resulted in a total of \$113.5 million in cumulative return on investment, with 159 jobs created or retained. Los Alamos National Security is the founding investor contributing more than \$3 million and has remained the cornerstone of the fund since welcoming new partners to invest in the fund.
- Santa Fe Film Office (SFFO) was established by the County and City of Santa Fe in 2016. SFFO aims to boost film and TV production in the Santa Fe region, support local businesses by providing goods and services to the industry, and enhance educational and job opportunities in the industry. Since its inception, the SFFO has significantly increased regional production spending from \$70 million in fiscal year 2016 to over \$300 million in fiscal year 2022, generating around \$1.2 billion in economic activity and supporting thousands of local jobs and businesses.
- OED's Office of Business Growth supports local businesses and incoming businesses by providing mentorship, training, financing, and connecting enterprises to the business network.
- Established in 1997, Santa Fe Business Incubator is a non-profit and entrepreneurial leader in the community. Santa Fe Business Incubator advises small businesses and startups and connects partners, provides educational programs, and offers a multi-purpose work facility with biolabs. The incubator has success in establishing several bio-science startup companies.
- Since 2002, 83 New Mexico communities have passed the Local Economic Development Act, enabling public-private partnerships to support local economic projects while protecting public funds.

8.4.5 Role of Housing Affordability and Economic Development

Housing prices and rents have increased in Santa Fe in recent decades and accelerated during the COVID-19 pandemic. Although median income has increased over that time, the pace of income growth has been significantly lower than the rise in housing costs and rents. **In order to afford the median sales house price of \$552,000, a household needs to earn \$132,000.** In the current environment, **only about 30 percent of Santa Fe's households can reach this threshold.** While to afford the average rent of

\$2,075⁹, a household needs to earn \$83,000 – for reference, the median household income in 2023 was \$70,100.

The high cost of housing can limit economic mobility, as **people may find it difficult to move to Santa Fe for job opportunities if they cannot afford housing**. This has an impact on the city's ability to attract and retain talent. However, the increase in multifamily construction may provide options for some residents and attract and keep new talent to the city without the responsibility and cost burden of homeownership. The shift towards diverse housing options, including higher-density living, can support inclusive urban economic development in Santa Fe. A denser environment offers more relative affordability and better access to amenities, services, and entertainment, leading to vibrant neighborhood development and sustainability.

LANL is the largest regional employer that affects economic and housing dynamics in Santa Fe. According to LANL's Independent Economic Contribution Analysis in Fiscal Year 2022, LANL contributed \$3.77 billion to the state. The total workforce is over 16.5 thousand employees (not including contractors), a quarter of them (4,172) come from Santa Fe, with an estimated half billion in employment income¹⁰. Additional jobs are created through the lab's expenditures on goods, services, and construction. As the housing stock in Los Alamos shrinks, many employees seek housing in Santa Fe, notably impacting the housing market. Santa Fe is a top choice for housing among LANL's new hires¹¹. The lab's expansion plans, including creating at least 2,230 new jobs¹², are expected to increase housing pressures in the region, raising community and state concerns.

8.5 Industry Clusters

Industry clusters are critical components of the local economic framework, representing concentrations of interconnected businesses, suppliers, and associated institutions. This section explores national and regional industry forecasts and existing and emerging industry clusters identified by the local government. By analyzing these clusters and looking through the broader lens of regional and national growth projections, key drivers of economic activity, innovation, and synergies will be identified, drafting a pathway for targeted economic strategies for Santa Fe Forward.

8.5.1 National and Regional Growth Sectors/Forecasts

National

The fastest-growing sectors in the country are **healthcare, professional, business and technical services, and information technology**. According to the U.S. Bureau of Labor Statistics as shown in Table 8-15, the professional and business services sector is projected to grow by 23 percent between 2023 and 2033, followed by healthcare and social assistance, which is projected to see 21 percent job growth.

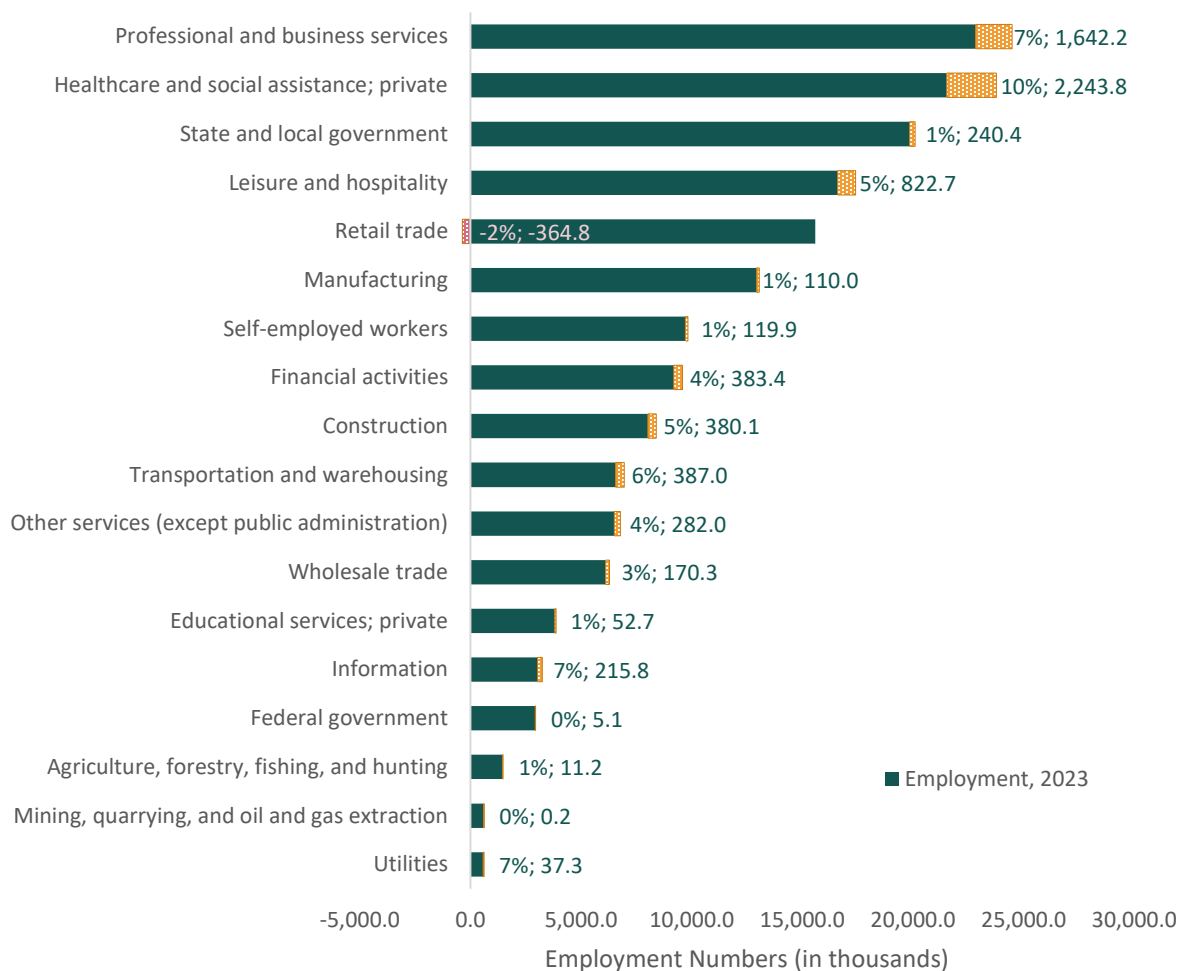
⁹ 2024 Zillow Observed Rent Index.

¹⁰ LANL, 2024 Economic Impact on New Mexico; https://cdn.lanl.gov/files/economic-impact-25-st-v4_73055.pdf

¹¹ 1.2.2 Residence of new hires, LANL Laboratory employee demographics and housing demand, April 2024; https://cdn.lanl.gov/files/2024-housing-demand-and-demographics_0504a.pdf

¹² Draft Site-Wide Environmental Impact Statement for Continued Operation of Los Alamos National Laboratory, NNSA, January 2025

Figure 8-15. National Employment Growth by Industry, 2023-2033 (sorted by the largest industry)

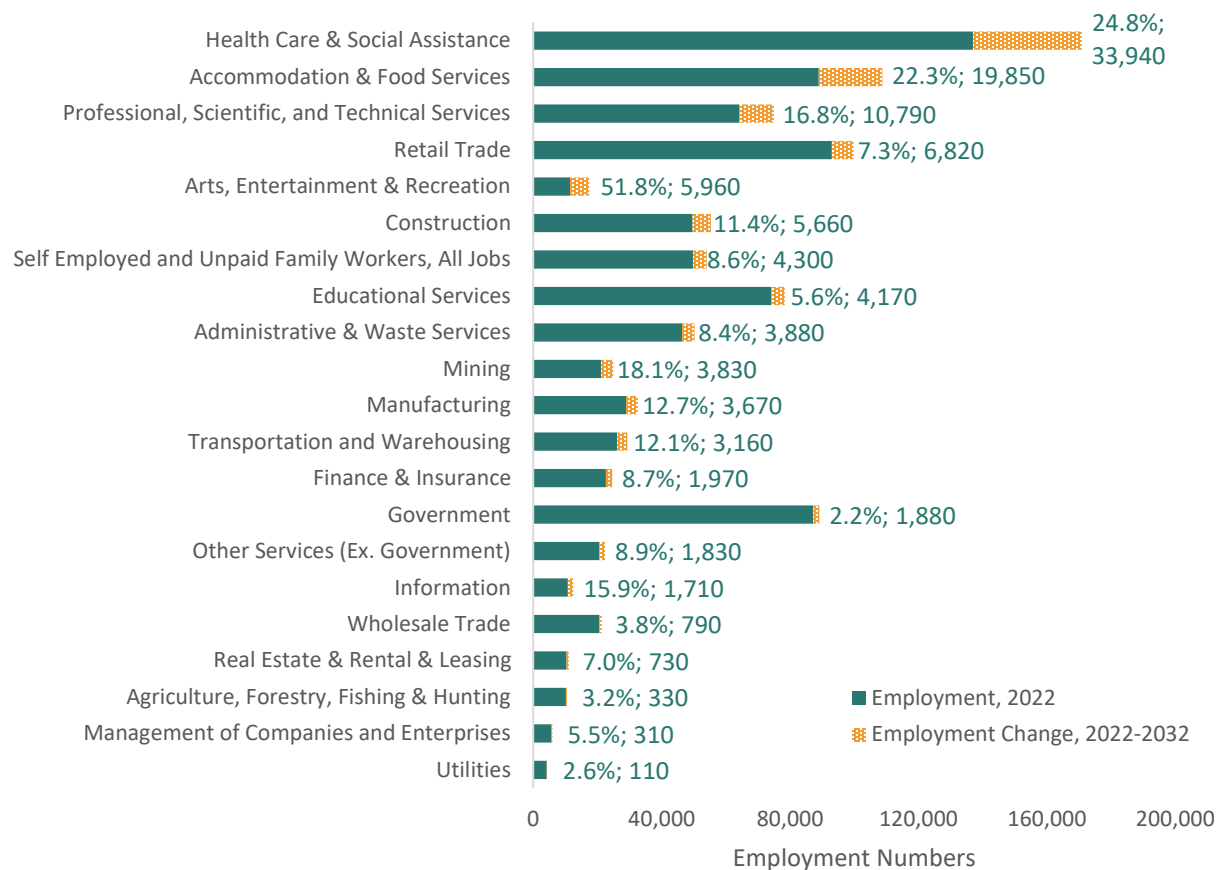


Source: U.S. Bureau of Labor Statistics

Regional

According to the New Mexico Department of Workforce Solutions, total state employment is projected to grow by 115,670 jobs (13.1 percent) between 2022 and 2032. Figure 8-16 breaks down this growth by sector. Healthcare and social assistance, accommodation and food services, and professional, scientific, and technical services sectors are projected to be the fastest-growing industries in both New Mexico and the Santa Fe MSA in the next decade. These trends align with the national projections of growth in these industry sectors.

Figure 8-16. New Mexico Employment Growth by Industry, 2022-2032
(sorted by the largest numeric growth)

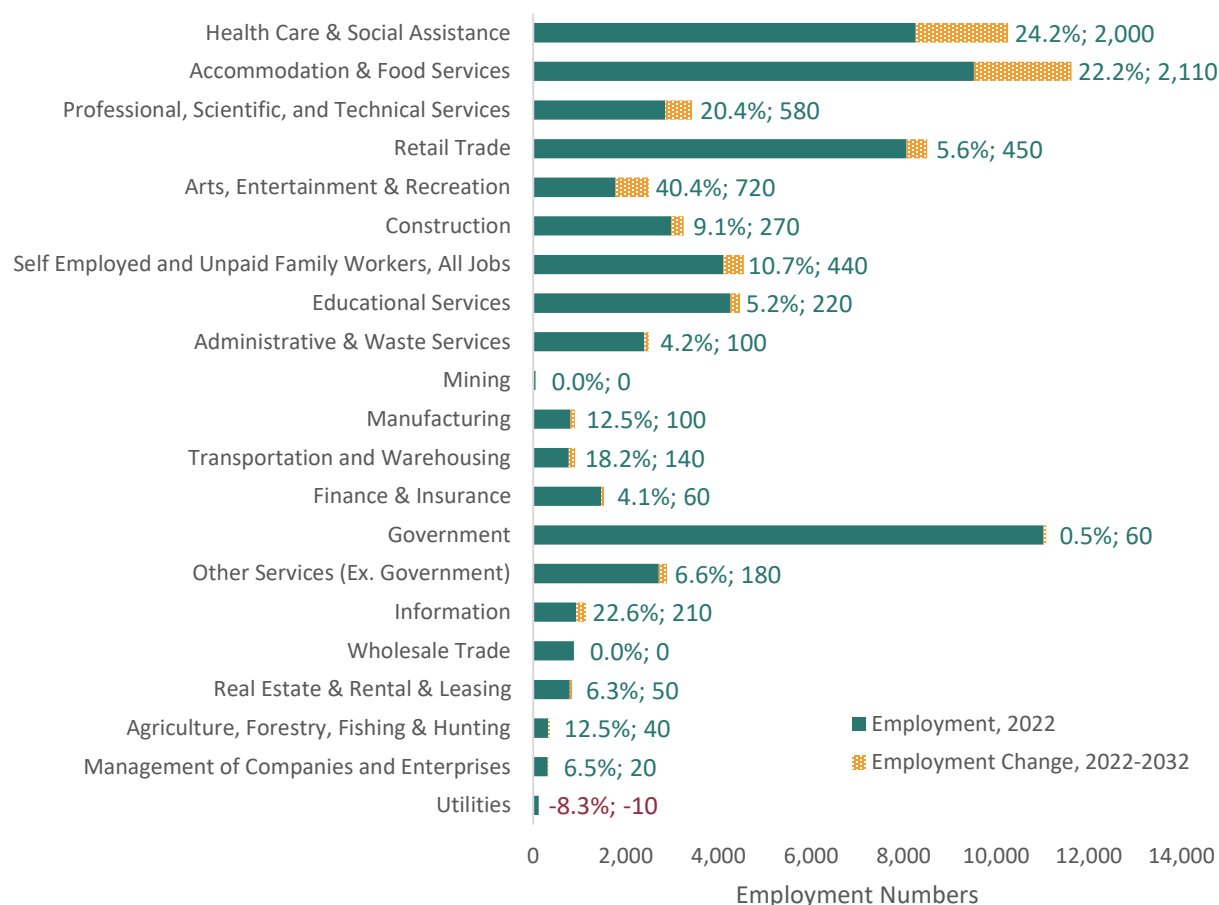


Source: New Mexico Department of Workforce Solutions

The Santa Fe MSA is estimated to grow by 7,740 jobs by 2032. As shown below in Figure 8-17, healthcare and social assistance and accommodation and food services, two of Santa Fe's largest sectors, are expected to grow the most in the coming decade. Professional, scientific, and technical services sectors are estimated to grow by over 20 percent, though it will remain a small industry relative to the state and national trends. The arts, entertainment, and recreation sectors are estimated to be one of the state's fastest-growing sectors, with over 50 percent growth in the next decade, while still being one of the smallest industries in the state. The sector is a significant part of Santa Fe's economy and is projected to grow at 40.4 percent by 2032, as shown in Figure 8-17.

Unlike the national projection, which implies negative employment in the retail trade, this sector is projected to grow by 5.6 percent in the Santa Fe MSA and 7.3 percent in New Mexico by 2032.

Figure 8-17. Santa Fe (MSA) Employment Growth by Industry, 2022-2032



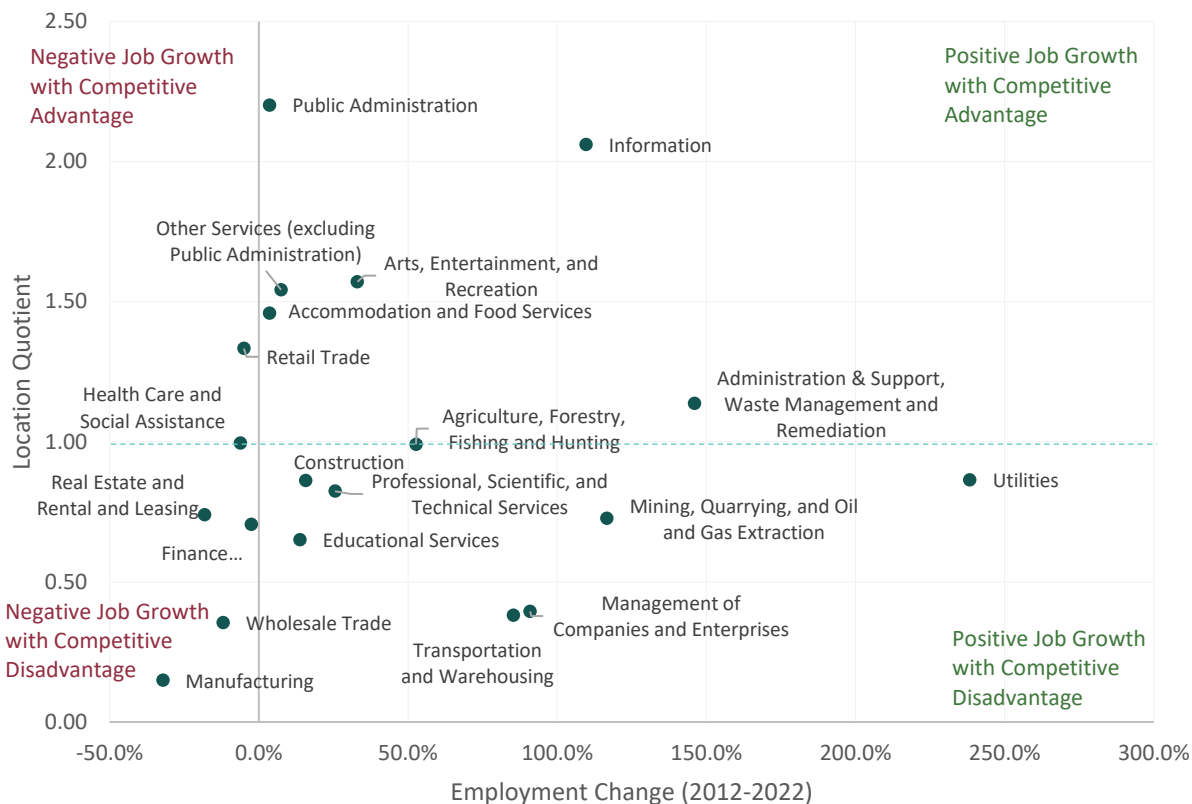
Source: New Mexico Department of Workforce Solutions

8.5.2 Industry Growth and Locational Advantage

Figure 8-18 includes a detailed breakout of industry categories, including how fast each category has grown over the past decade (shown as annual growth rate), as well as a measure known as location quotient (LQ), showing how concentrated that industry is in Santa Fe relative to the national average. The regional advantage, as measured by the LQ (derived by dividing each industry's local share of total jobs by national share of jobs) in Santa Fe is highest in the public administration (government), information, arts, entertainment and recreation, accommodation and food services, and retail trade job sectors. All these industries have a local presence higher than the national average and contribute significantly to the local economy.

Of these high LQ sectors, only information and arts, entertainment, and recreation have seen strong positive growth over the last decade, while retail trade has been in decline. These two sectors appear to be the best candidates for industry targeting in the form of recruitment, expansion and retention. Though the professional, scientific, and technical services sectors have a moderately low locational advantage (0.82 LQ), these sectors have seen moderate growth and have a high potential to expand, as they are identified as a fast-growing sector at the local, state, and national levels of employment projections.

Figure 8-18. Location Quotient in Santa Fe, 2022



Source: U.S. LEHD Data via Census OnTheMap; U.S. Bureau of Labor Statistics

8.5.3 Existing and Emerging Clusters

The following sectors profile existing and emerging clusters that have been a focus of past and present economic development programs in Santa Fe, both by the City of Santa Fe and Santa Fe County, as documented in past and present economic development policy and strategic documents. They represent the largest, most established business sectors (existing), as well as industries experiencing more recent or rapid growth driven by local entrepreneurship (emerging).

8.5.3.1 Existing clusters

8.5.3.1.1 Film and Emerging Media

The film industry has a long history in Santa Fe, reaching momentum during the popularity of Western movies featuring the region's vast and stunning landscapes. This industry cluster is mentioned in every strategic economic development document related to Santa Fe, and the City has long held policies regarding education and training for film production and economic incentives. The intention to establish a digital and new media industry cluster is also a focus, as is video game production.

The industry has a significant economic impact on the state, county, and local levels. New Mexico's film industry direct spending was \$740.4 million in FY 2024, showing a 40.9 percent increase in the past five years¹³.

The Santa Fe Regional Film Commission/Santa Fe Film Office was established in 2016 to support and attract film and media production. The Film Office has an annual budget of \$300,000, funded equally by the City of Santa Fe and Santa Fe County. It has contributed around \$400 million in direct local spending and over \$1 billion in total economic impact¹⁴. The film industry boosts local hospitality and tourism sectors, supports numerous local businesses, and generates substantial spending in the community.

There are multiple existing economic incentives to foster economic growth and development of the film and media industry in Santa Fe.

- New Mexico Film and Media Tax Credit can rebate up to 25 percent (base credit) and 40 percent with additional uplifts (maximum credit).
- Non-resident Crew Exception allows 15 percent credit with a cap on 20 qualifying below-the-line positions.
- Film Crew Advancement Program and Operation Soundstage programs to support local crew development.
- Tax credit of 25 to 35 percent for film, TV, and commercial production.

The Midtown redevelopment project on the former College of Santa Fe site includes a dedicated mixed-use film zone that will support film production activities focused on the Garson Studios. Other studios in the Santa Fe area include the full-service film and television studio – Santa Fe Studios, the largest studio in Northern New Mexico –, and Camel Rock Studios.

8.5.3.1.2 The Arts

Arts and culture is a longstanding business cluster in Santa Fe. At the county level, this sector includes over 250 art galleries, museums, and performing arts venues. Many art markets and festivals support the cluster economy by bringing people from outside the state. As stated in the 2014 Santa Fe County Economic Development Plan, the sector is valued locally at more than \$1 billion, with \$54,656,000 generated in commercial activity. The arts and culture workforce has seen strong growth in Santa Fe over the last decade (see Section 8.4 Employment and Workforce Profile), and is projected to continue to see significant growth. However, the County Economic Development Plan points out that housing affordability and a lack of market for local product sales prevent the sector from fully realizing its potential.

Incentives and programs for the cluster:

- The Arts & Cultural Districts Program helps New Mexico's communities develop cultural resources and create vibrant districts. Established in 2007, it is a joint effort by three state agencies and local partners to boost the creative economy.

¹³ NMFO Statistics by Fiscal Year, <https://nmfilm.com/assets/uploads/NMFO-Statistics-by-Fiscal-Year-incl-FY4.pdf>

¹⁴ Film Industries | Santa Fe County, <https://www.santafecountynm.gov/community-development/economic-development/target-industries/film-industries>

- New Mexico Economic Development Department’s Creative Industries Business Development & Expansion Grant awards up to \$10,000 to entities in creative industry clusters.
- The City of Santa Fe Arts and Culture supports the creative initiatives through Cultural Investment Funding Programs.

8.5.3.1.3 Outdoor recreation

The region offers a vast range of recreational activities thanks to its favorable climate and diverse natural amenities, from hiking and mountain biking to rafting and skiing. According to the Santa Fe County website, biking has seen substantial growth in the county due to the open spaces and trail network expansion, the growth of Bicycle Technologies International, and hosting of multiple biking events. According to the 2014 Santa Fe County Economic Development Plan, approximately \$3.8 billion annually is contributed to the New Mexico economy by the outdoor recreation sector, supporting 47,000 jobs.

The New Mexico Outdoor Recreation Division was established in 2019. It provides grants and funding, such as the Outdoor Equity Fund, which awarded over \$6.5 million to connect youth to outdoor activities, and the Trails+ grant. Over \$29 million was awarded to uplift the outdoor sector across New Mexico. The state estimates the creation of 1,820 jobs through the Trails+ grant.

Along with recreational activities, the region supports the development of the outdoor gear and apparel industry, such as Bicycle Technologies International, through countywide policies and partnerships. The industry is projected to grow in the next decade as part of the arts, entertainment, and recreation industry.

8.5.3.1.4 Healthcare

Healthcare and social assistance is the largest sector by employment of the Santa Fe economy, representing around 14 percent of jobs. Wages in the sector are almost 29 percent higher in Santa Fe County compared to New Mexico, however, the industry has not seen significant growth in the last decade (see Section 8.4.1 Local and Regional Jobs by). Christus St. Vincent Regional Medical Center, which completed a \$44 million expansion in 2018, is a major driver of the local medical cluster.

In previous economic development strategic documents, one of the County’s goals was to *“facilitate an environment that produces healthy residents and grants access to care for all who need it.”* The 2009 Northern NM REDI identifies health and wellness as a secondary cluster target with a focus on the workforce and education programs.

Despite no growth in the past decade, healthcare jobs are projected to grow by almost 25 percent in the next decade, and proposed development projects such as medical facilities in the Las Soleras Medical Junction (see Section 8.7 Real Estate Market) will accommodate growth in this sector in the future. Multiple programs and investments in the healthcare sector will support the forecasted growth. Existing initiatives include:

- The State of New Mexico has invested in behavioral health services under Senate Bill 1 (SB1) and Senate Bill 3 (SB3). These bills aim to strengthen and expand behavioral health resources across the state.
- In 2024, Anchorum Health Foundation announced a 10-year, \$109 million investment to improve access to healthcare and influence community health outcomes across Northern New Mexico. This includes a

\$20 million infusion through Anchorum Clinical Support Fund, focusing on recruitment and retention of health care professionals, clinical program improvements, and expanding access to care. Partnered with Christus St. Vincent Regional Medical Center, the fund will enable the center to expand its obstetrical service line and cancer care program.

- Meridian Healthcare Development: Meridian has purchased an 18-acre parcel in Santa Fe to develop a 95,000-square-foot multi-specialty medical office building and a comprehensive cancer care center.

8.5.3.1.5 Education

Santa Fe Community College, the Institute of American Indian Arts, , Southwestern College, New Mexico Highlands University at Higher Education Center, and St. John's College serve as education and training clusters in Santa Fe. Workforce development and education support the development of human capital in the region, and while an education cluster is not specifically mentioned in local or regional economic development policy documents, workforce and education programs and initiatives are mentioned across different divisions, and the Santa Fe OED provides job training and development for the local business community, along with the New Mexico State Job Training Incentive Program. In addition, cross-institutional collaborative initiatives and programs, such as Guaranteed Basic Income¹⁵, offer financial support that enables individuals to pursue the education necessary for entering the workforce.

8.5.3.1.6 National Defense

LANL and several defense-related institutions, such as the New Mexico Army National Guard, compose the local national defense cluster. The New Mexico National Guard has approximately 2,800 authorized soldiers and 1,000 authorized airmen. The presence of these two institutions creates numerous jobs in the region and contributes to the local economy through direct spending on infrastructure, services, and salaries. The sector invests in workforce development initiatives, including educational partnerships and training programs. These efforts help build a skilled workforce, ready to meet the demands of the defense industry.

8.5.3.2 Emerging clusters

8.5.3.2.1 Tech and Advanced Manufacturing

Tech, science, advanced manufacturing, and agricultural tech is an emerging cluster of industries with more than 40 companies in Santa Fe, according to the OED. Overall, the “technology” sector, from biotech and green technologies to food-technology innovation is highlighted across various economic development policy documents related to Santa Fe. Given the region's strength in advanced manufacturing and technology development in the LANL, the cluster has significant potential for continuous growth.

The professional, science, and technology sectors grew rapidly in the last decade, as did the information sector, and are projected to grow significantly in the region, exceeding rates of projected national growth in this sector, as per Section 8.4 Employment and Workforce Profile. In addition, Santa Fe has

¹⁵ <https://santafeleap.org/>

the potential to grow a data analysis cluster for the public health sector and defense, and companies like Falling Colors have significantly contributed to the city's economic growth.

The OED sets several guiding principles to support this emerging cluster, aiming to understand the challenges facing the sector in increasing business gross revenues, diversifying the industry cluster, and convening industry stakeholders to support an ecosystem of business partners. New Mexico Catalyst Fund for seed and early-stage investment is a \$20 million fund of funds that aims to support more than 50 companies and startups in the state that focus on technology. As noted in the Section 8.4.4 Local Entrepreneurship and Small Business Formation, Santa Fe has multiple policies and initiatives to attract and support small businesses and startups, such as the Small Business Development Center and Venture Acceleration Fund. In 2023, the Apple Community Education Initiative funded a local program called the Santa Fe Creative Coding Initiative, running through Santa Fe Community College, which set up off-site learning labs in local schools and out-of-schools locations. Since its launch, the program has had over 1,500 students participating in its technology labs.

8.5.3.2.2 Creative/Experience

Creative and experience clusters interconnect creative industries across sectors and facilitate collaborations across art, culture, entertainment, and technology sectors. This mixture aims to provide a collaborative environment by connecting different creators and businesses to think out of the box and realize the underutilized potential of arts and science. As this cluster has strong ties to the broader arts and culture cluster of economic activities in Santa Fe, the impact of emerging creative/experience should be seen or will be seen as significant for the future economic development of the city. The term 'creative' is often mentioned in the past and present policies and strategic documents related to economic development as a unique feature of Santa Fe's approach to economic prosperity and emerging industries.

OED defines the Meow Wolf immersive art experience as a key catalyst of this emerging cluster. Meow Wolf was founded in 2008 as a community of Santa Fe artists who had an interest in collaboratively displaying their work. Meow Wolf Santa Fe's House of Eternal Return, located near Cerrillos Road is a 20,000-square-foot museum facility that includes immersive art installation space and a concert venue. Meow Wolf is a public benefit corporation and certified B-Corporation supporting local artists, community-focused art, and social projects.

Meow Wolf has had a substantial positive impact on the Santa Fe economy. It generates significant revenue through ticket sales, gift shops, and events, contributing to the local creative economy. Meow Wolf also supports local artists and provides numerous jobs, enhancing the overall economic and social well-being of the community. Following its success in Santa Fe, Meow Wolf expanded to other locations, such as Las Vegas, Denver, Grapevine (Dallas metro area), and Houston, and is anticipating to open its sixth and seventh exhibitions in Los Angeles and New York, respectively. In 2023, Meow Wolf announced a lifetime partnership with the New Mexico United, a professional soccer team, further advancing the art center's influence on economic growth through outreach and new initiatives.

In 2023, the City of Santa Fe's OED received the Creative Industries Grant Awards from the New Mexico Economic Development Department. The \$100,000 grant was awarded to "create a community navigator hub to develop and organize the creative industries ecosystem and address existing challenges

and gaps,” according to the NM Economic Development Department announcement of awards recipients in October 2023.

8.5.3.2.3 Food Sector

The food sector is defined as the greatest opportunity for *regional* and *statewide* collaboration. The OED helped to facilitate multiple events that gather and support initiatives of food-related companies, such as the 2020 Reimagining the New Mexico Food Economy and the 2019 Santa Fe Food Summit. Agriculture and food industries are mentioned as one of the industries for strategic growth in the 2014 Santa Fe County Economic Development Plan and the 2009 Northern NM REDI. However, the documents point out that the sector is struggling due to the lack of strong concentration and specialization (2009 Northern NM REDI), the declining number of farm operators in the county, and the farm size (2014 Santa Fe County Economic Development Plan). While these limitations are also revealed through the small scale of the agriculture industry with 0.3 percent of the city’s workforce share, the industry workforce doubled in the city and county over the last decade, as shown in Figure 8-6 and Figure 8-7. The 2025 New Mexico Economic Report shows that the agriculture industry’s total economic impact is \$45 billion, which is a 4.4 percent growth from the previous year. Wages have also increased by 9.3 percent and generated \$12.9 billion.

The City’s OED targets to develop a model entrepreneurial ecosystem project, such as AgriGate – an online platform connecting growers and buyers. New Mexico’s Agriculture Strategic Plan provides strategic recommendations for an agriculture task force and reforms to strengthen supply chains, land and water use, education for the next generation of farmers and ranchers. Santa Fe County facilitates a variety of agriculture initiatives, such as the state’s second-largest tortilla factory, salsa and southwestern food producers, breweries, distilleries, farmer’s markets, farm-to-table restaurants, and local food events¹⁶.

The **agriculture, forestry, fishing, and hunting** sector is among the smallest for Santa Fe in terms of officially counted jobs, but local agricultural activity here is worthy of note for multiple reasons. First, that sector grew substantially over the past decade, officially adding 49 jobs to a base of just 93 jobs in 2012. Secondly, and perhaps more importantly, local urban agriculture – especially when effectively connected to culinary (e.g., greens for restaurants) and food manufacturing (e.g., salsa-making) activities -- can be a facet of the city’s cultural richness (in addition to directly promoting healthy nutrition). That distinctive cultural reinforcement helps to define and bolster a unique Santa Fe “brand” that is a legitimate, and outsized, source of economic value for the city and region.

8.5.3.2.4 Industry Cluster SWOT Analysis

The analysis shown in Figure 8-19 evaluates the SWOT associated with each cluster and clusters as part of the Santa Fe’s economic development ecosystem as a whole. The analysis is based on the data and information described in the previous section.

¹⁶ Santa Fe County, Agriculture, <https://www.santafecountynm.gov/community-development/economic-development/target-industries/agriculture>

Figure 8-19. SWOT Analysis

Strengths	Weaknesses
• Tech, science, and advanced manufacturing companies have a growing presence in Santa Fe. • Strong presence of LANL, fostering technological development, and economic impact on national defense. • Government employees provide a sustainable economic base • Arts and Culture, Creative/Experience, and Film & Emerging Media clusters form an ecosystem of creative industries. • The food sector has a regional and statewide collaborative opportunity for growth. • Significant employment and projected growth in the healthcare sector. • Local and state workforce development initiatives and programs.	• Challenges in increasing business gross revenues and diversifying the industry clusters. • Employment in creative industries might be fluctuating and highly sensitive to economic downturns. • Lack of specialization and the number of farm operators in the food sector. • High dependence on economic incentives and tax credits in some industries, such as film and media, and a lack of economic support in others, prevent diversification. • Need for more support and training programs for health care professionals. • Further development of an outdoor recreation cluster depends on seasonality and changing environmental conditions. • Some startups leave the city due to a small pool of entry-level employees and a lack of qualified professionals in specialized fields and mid-level executives to take their company to the next level.
Opportunities	Threats
• Projected rapid growth in professional, science, and technology sectors. • Multiple opportunities for tech-focused companies and startups. • Creative industries clusters hold significant future economic potential based on the established creative ecosystem support. • Various aggregate platforms support an entrepreneurial ecosystem. • New facilities for film and media production in Midtown. • Development of Las Soleras Medical Junction and support for healthcare assistance for the senior population. • The emerging growth of the outdoor gear and apparel industry supports the economic development of the outdoor recreation cluster. • Amplifying collaborations and joint programs with LANL (business, tech/science, education, and training).	• Potential market saturation and competition from other industry-specific hubs. • Economic instability may affect funding and support for creative projects. • Environmental factors impact agriculture and the food industry. • Rising cost of healthcare may increase the gap in accessing services for the low-income population. • Housing affordability may put significant pressure on workforce development and employee recruitment across many sectors.

8.6 Tourism and Downtown

Tourism plays a vital role in Santa Fe economic development, serving as a significant driver of revenue, employment, and cultural experience. This section provides an in-depth analysis of the role of tourism in the local economy, highlights key attractions, visitors numbers, and economic contributions. In addition,

the dynamics of historic downtown and the rise of new clusters driving tourism activity beyond the city center are also discussed below.

8.6.1 Role and Size of Tourism-based Sectors

COVID-19 had a major effect on the tourism industry since the moment it was first discovered, leading to significant downturns and changes across the sector. In post-pandemic times, these changes continued to impact the tourism industry not only in the volume of visitors but also in consumer habits and behavior, industry operation, financing, staffing, and beyond.

Tourism is one of the foundational parts of Santa Fe's economy. Santa Fe's Data Platform, a local open data hub, monitors and analyzes tourism-related data. While the city is still recovering from the pandemic downturns in tourism (2020 and 2021), in 2023 it hosted over 3 million out-of-state visitors and 2.3 million in-state visitors¹⁷. In 2023, the number of out-of-state visitors increased by 7.2 percent (208,161 new visitors) compared to the year 2019¹⁷. However, the decrease by 14.4 percent, or 396,812 trips, of the in-state visitors and total number of visitors is still below the pre-pandemic total trips of over 5.6 million¹⁷.

Santa Fe is one of the most diverse cities in the nation, but demographic data from the past five years indicates that most of its visitors are predominantly white and tend to be middle-aged or older. The City's goal is to attract younger and more diverse visitors.

Tourism *hot spots* are:

- The **historic Downtown District** is the biggest draw for visitors with over 5.5 million visits in 2024¹⁷.
- **The Railyard** is the second most popular spot for tourists, which attracted over 1.4 million visitors in 2024¹⁷.
- **Canyon Road Arts District** is a vibrant and historic area known for its rich artistic heritage featuring over a hundred art galleries and studios – 361,000 people visited it last year.
- There are several casinos located in the county, beyond the city borders. The largest is the Buffalo Thunder Resort Casino, which had 754,658 visitors in 2024¹⁷. In total, over 1.3 million visits were made to the top three casinos in the county last year¹⁷.
- Meow Wolf, Museum Hill, and Santa Fe Opera along with art events like Zozobra Fiesta, International Folk Art Market, and Santa Fe Indian Market are huge entertainment and cultural attractors to the city.
- Spa and wellness resorts, such as Ten Thousand Waves, Ojo Caliente, and Modern Elder Academy.
- **Ski Santa Fe** is a popular ski resort, which attracted almost 192,000 visitors in 2024¹⁷.
- **Bandelier National Monument** preserves the ancient cliff dwellings and petroglyphs of the Ancestral Puebloans, offering a glimpse into their rich history and culture. Around 100,000 visitors per year visit the monument¹⁷.
- **Los Alamos** has also gained more visitors (nearly 140,000) after the renewed interest in the Manhattan Project featured in the Oscar-winning film *Oppenheimer*¹⁷.

¹⁷ Santa Fe Tourism Dashboard, <https://dashboards.mysidewalk.com/santa-fe-tourism-c48840f228fe/welcome>

Size of the Tourism-based Economy

The tourism sector is an essential part of New Mexico's economy. In 2023, eight percent of jobs in New Mexico were tourism-related. The visitor spending of \$8.6 billion generated a total of \$11.6 billion in business sales¹⁸. The tourism industry supported around 93,000 jobs across the state and generated \$810.7 million in state and local taxes in 2023¹⁸. According to the New Mexico Tourism Department (New Mexico True), Santa Fe County comprised 15.5 percent of New Mexico's real gross state product (GSP) in 2023. **The tourism industry accounts for almost five percent of New Mexico's GSP.** Another cumulative 5 percent is shared by arts and culture production and outdoor recreation and supporting industries. The New Mexico Tourism Economic Impacts Dashboard estimates that around **16,000 jobs were in private sector tourism in the North Central region of New Mexico.**

In 2022, **around 30 percent (14,759) of jobs in Santa Fe were related to the tourism industry** such as retail, accommodation and food services, arts, entertainment, and recreation.

8.6.2 Downtown as an Economic Driver

Downtown

Downtown Santa Fe plays a crucial role in the city's economy. It serves as a vibrant hub for tourism, arts, culture, and commerce. Key drivers of Downtown Santa Fe:

- **Tourism:** Historic Santa Fe Downtown attracts millions of visitors annually, drawn by its historic sites, art galleries, museums, and festivals. According to the Santa Fe Tourism Data Platform, Downtown saw approximately 5.5 million visits in 2024¹⁹.
- **Government:** Downtown is the center of the state, county, and local governments. Some of the government buildings are heritage-designated and have significant architectural value, such as the New Mexico State Capitol, which also drives visitors to Downtown.
- **Arts and Culture:** The area is renowned for its rich cultural heritage and vibrant arts scene. Museums such as Georgia O'Keeffe Museum, New Mexico Museum of Art, Loretto Chapel Museum, and others attract tourists and bond locals to the history of the city. Events like the Santa Fe Indian Market, featuring Native American and First Nations artists, and the International Folk Art Market draw large crowds, contributing to the local economy through art sales and associated spending.
- **Economic Revitalization:** Initiatives like the New Mexico MainStreet program have invested in infrastructure improvements and business development in downtown areas.
- **Local Businesses:** Downtown Santa Fe supports a diverse range of local businesses, from boutique shops to innovative restaurants. This diversity helps create a resilient local economy and provides employment opportunities for residents.

¹⁸ 2023 Economic Impact of Tourism in New Mexico, Tourism Economics
https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/newmexico/Economic_Impact_of_Tourism_in_New_Mexico_2023_7d36f19d-9a9b-4853-b200-6374b6beb6d8.pdf

¹⁹ Santa Fe Tourism Dashboard, <https://dashboards.mysidewalk.com/santa-fe-tourism-c48840f228fe/santa-fes-hotspots>

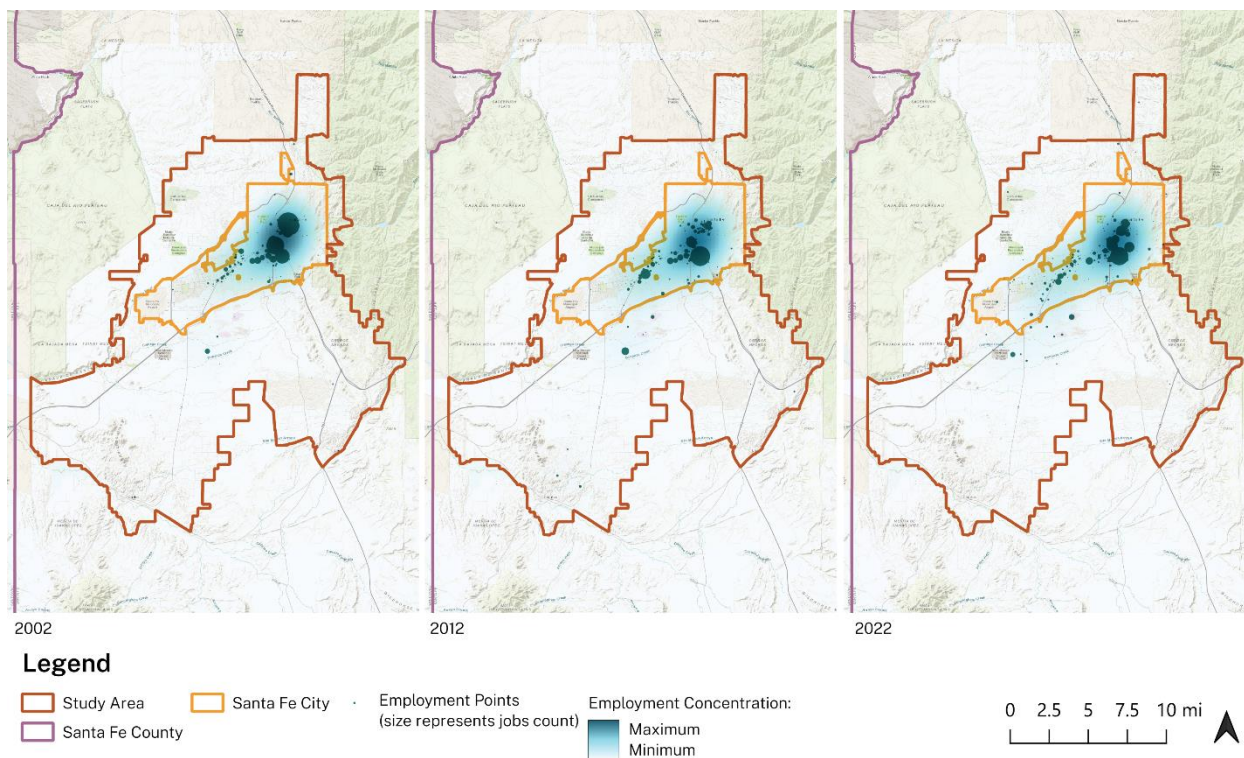
- **Community Events:** The downtown area hosts numerous community events, such as the Santa Fe Film Festival, which enhances the quality of life for residents and stimulates economic activity by attracting visitors and encouraging local spending.

Downtown is a major employment and office cluster in the city. **Over 11,000 jobs** were in Downtown in 2022, about **20 percent of the total number of jobs in the city**. **Accommodation and food services** and **public administration** sectors represent almost half of the employment. Most of the employees who work Downtown live in Santa Fe. However, around 16 percent of employees commute there from Albuquerque, and around five percent from Rio Rancho²⁰. These percentages have been gradually increasing over the last two decades. However, the total number of **jobs concentrated in Downtown has dropped significantly: between 2002 and 2022, it lost around 6,500 jobs – around 36 percent, while the total number of jobs in Santa Fe increased by 11 percent.**

The loss of jobs might imply that over the decades Downtown has lost some strength of being the main employment cluster, while more jobs were spreading down along Cerrillos Road, near the intersection of Airport Road and Cerrillos Road, and due to the formation of Christus St. Vincent Regional Medical Center cluster at St. Michael's Drive, as shown in Figure 8-20. Diversification of employment clusters forms a polycentric city that alleviates risks for downtowns' decline during economic downturns. Downtown Santa Fe has strong historic and cultural features that position it uniquely among the other employment clusters.

²⁰ LEHD data via Census OnTheMap, 2022. <https://onthemap.ces.census.gov/>

Figure 8-20. Employment Concentration and Distribution in Downtown Santa Fe
Average Asking Rent in Santa Fe in 2002, 2012, 2022



Source: LEHD Data via Census OnTheMap

The Railyard, Santa Fe

The Santa Fe Railyard's history dates back to 1880 when the Atchison, Topeka, and Santa Fe Railway Company brought its first train into Santa Fe. This event marked the end of the Santa Fe Trail era, transforming travel and commerce in the region. The arrival of the railway led to an influx of tourists and settlers, boosting the local economy and introducing new architectural styles. Throughout the early twentieth century, the Railyard became a bustling hub for the community, hosting events like ice skating and circus performances. However, post-World War II, rail travel declined in favor of highways and air travel, leading to the Railyard's deterioration.

In 1995, the City of Santa Fe purchased this underutilized 50-acre land along Guadalupe Street and Cerrillos Road, with bridge financing support from the Trust for Public Land. The redevelopment was driven by community activism and local city planners. The project aimed to preserve the historical and cultural essence of the area while revitalizing it for modern use. The 50-acre, \$137 million project includes 37 acres of commercial, cultural, and live/workspaces, 13 acres of parklands, and 545,000 square feet in 38 buildings. As of 2022, 42 land parcels are leased, and 22 privately owned buildings and five city-owned buildings have been developed to date. Sixty-seven percent of tenants are locally owned businesses and 17 percent are community non-profits.

Key features of the redevelopment include:

- Santa Fe Depot: Renovated to extend rail operations and encourage public transit.
- Railyard Park: A 10-acre park with public plazas and a half-mile bike/walkway.
- Cultural Spaces: Home to the Santa Fe Farmers' Market, SITE Santa Fe Gallery, and El Museo Cultural de Santa Fe, Vladem Museum, and Violet Crown.

The development is community-focused and strategic-oriented. The Santa Fe Railyard Community Corporation (SFRCC) is a non-profit that develops and manages the use of the Railyard. With the mission to revitalize the historic Railyard into a sustainable and welcoming area for recreational, social, artistic, and commercial activities, SFRCC honors Santa Fe's cultural and historical heritage and supports the community by providing reduced rental rates for four community-based nonprofits to maintain neighborhood vitality. The redevelopment design honors the Railyard's industrial heritage while integrating it with Santa Fe's Pueblo Revival architectural style. This project has transformed the Railyard into a vibrant center for social, cultural, and economic activities, reflecting the community's commitment to sustainability and historical preservation.

The North Railyard District (Figure 8-21), lying along the Guadalupe Street and Camino De La Familia, features a mix of retail and gallery spaces, the Railyard Park, the New Mexico Rail Runner Express train depot, and key nonprofit tenants: the Farmers Market Institute, SITE Santa Fe, Warehouse 21, and El Museo Cultural, and New Mexico Museum of Art-Vladem Contemporary. Additionally, it includes one main for-profit tenant, the Santa Fe Southern Railroad. The Baca District (Figure 8-22) provides housing and spaces for small businesses.

Figure 8-21. North Railyard Map



Source: The Railyard Santa Fe

Figure 8-22. Baca Railyard District Map

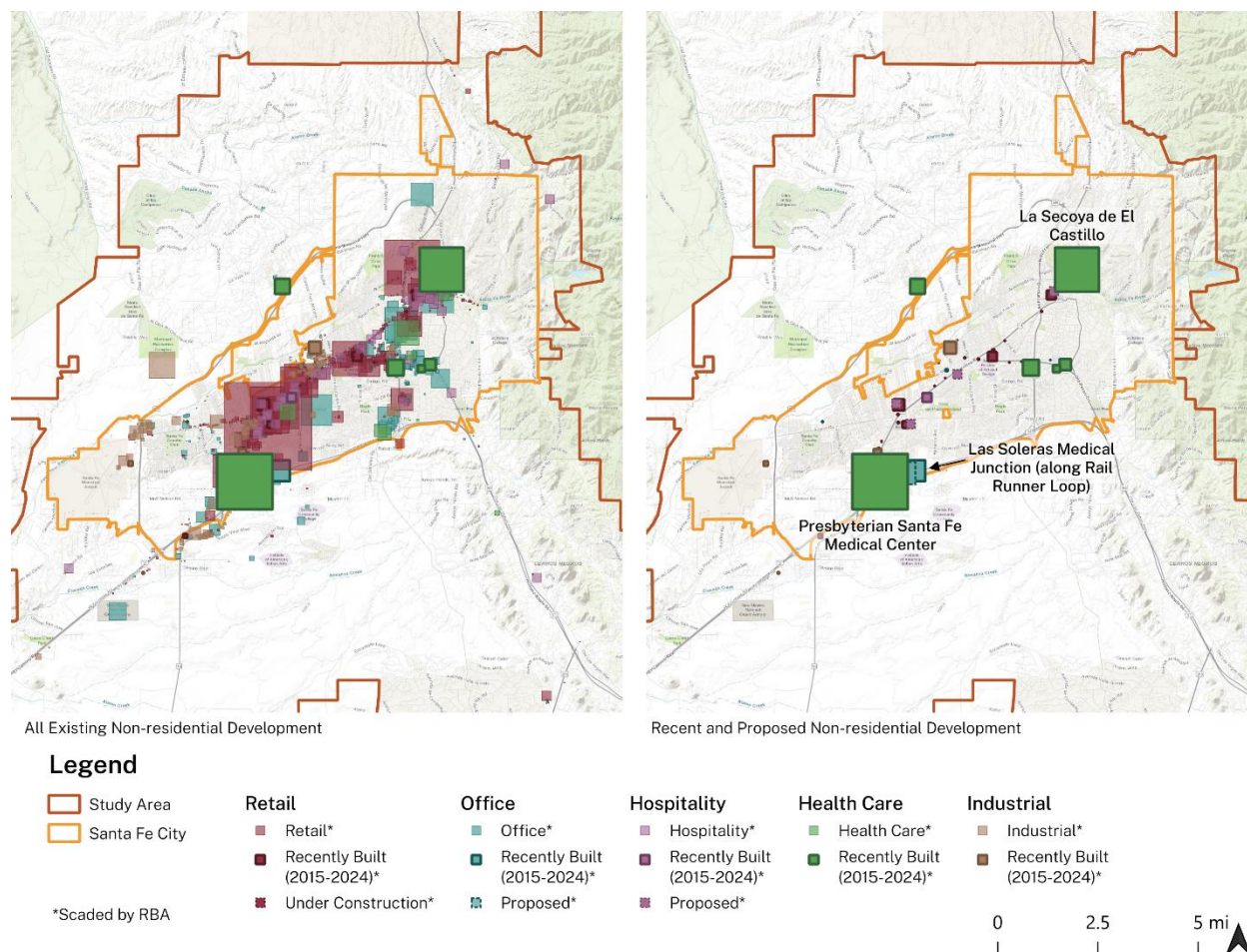


Source: *The Railyard Santa Fe*

8.7 Real Estate Market

Santa Fe's development patterns have been spatially consistent during the last decades. As shown in Figure 8-23, most of the large-scale development occurred in Downtown Santa Fe and the city's southwest, at the intersection of Cerrillos Road and Airport Road/Rodeo Road. These commercial nodes are connected through mid- to small-size retail and office activity along Cerrillos Road. The most recent development activity happened in the healthcare sector with La Secoya de El Castillo, a continuing care retirement community, north of downtown, and Presbyterian Santa Fe Medical Center to the southwest. The proposed mixed-use Las Soleras cluster with Medical Junction will anchor the intersection of Cerrillos Road and Beckner Road/I-25 node as a medical cluster with office and residential development.

Figure 8-23. Development Clusters and Recent Development Activity



Source: CoStar

8.7.1 Market Trends in Vacancy, Absorption, Recent/Planned Projects

The following section assesses the real estate landscape across various non-residential property types in Santa Fe. Every section includes recent, planned, and proposed projects that will influence current and future market conditions. While Santa Fe Forward is a long-range plan to guide the city for the next 25 years, understanding these current real estate conditions can help illustrate Santa Fe's unique challenges and opportunities within each property type.

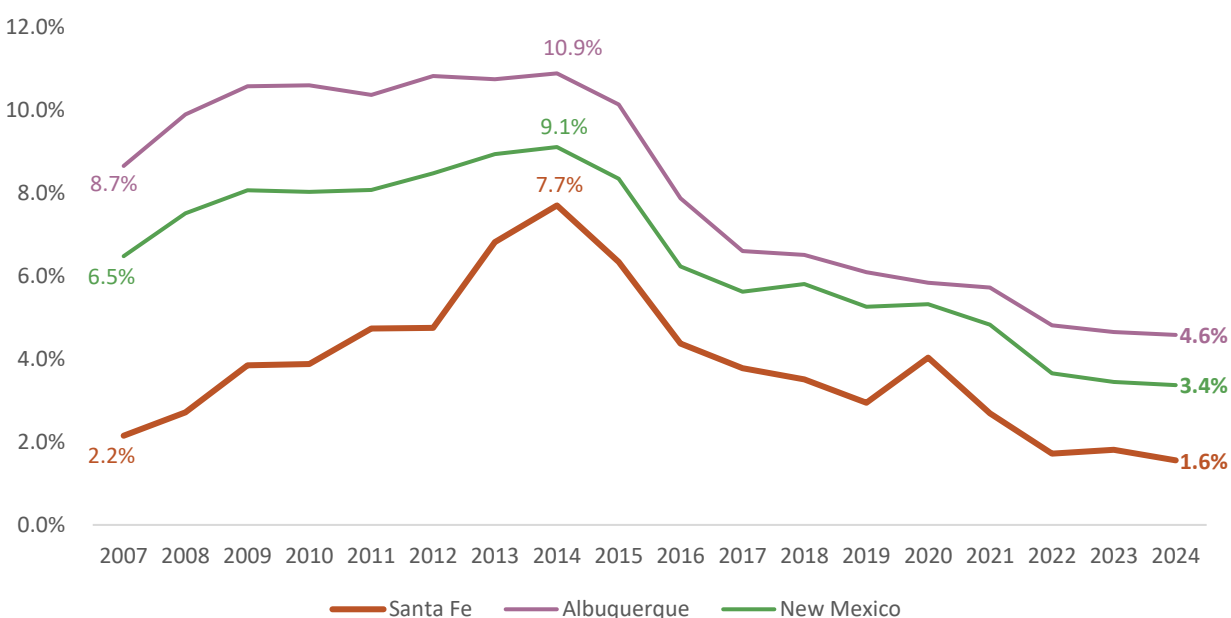
8.7.1.1 Office

The office market in Santa Fe encompasses **7.78 million square feet of office space**, including 348,236 square feet of flex space, with around 140,000 square feet of total office space listed as available. According to the commercial real estate data provider CoStar, over half of the office inventory

(58 percent) is 1- or 2-star²¹ offices, which indicates potentially older and smaller office buildings that might not be suitable for industries that require large office spaces and newer buildings.

The wide adoption of remote and hybrid work across the country and globally in the post-COVID-19 environment has drastically influenced office vacancies. However, according to CoStar, in 2024, the Santa Fe office market had a low vacancy rate of 1.6 percent and a slightly higher **vacancy rate of 2.1 percent** as of the first quarter of 2025. The current vacancy rate is 1.4 percentage points lower than the 10-year average of 3.5 percent. Unlike in many markets across the country, where office vacancy rates peaked in the year of or after the COVID-19 pandemic, the highest vacancy rates in Santa Fe and New Mexico were in 2014. Though other industry studies from CBRE Group Inc. and Colliers International indicate Santa Fe office vacancy may be higher, at 6 to 10 percent, vacancy rates in Santa Fe are still considerably lower than in Albuquerque (which is at 10 to 15 percent), indicating a low office space supply in the city compared to Albuquerque and elsewhere in the state. In most markets, an office vacancy rate of around 10 percent is still considered in equilibrium. Figure 8-24 and 8-25 display office vacancy rates and office absorption rates, respectively, in Santa Fe and compared with the region.

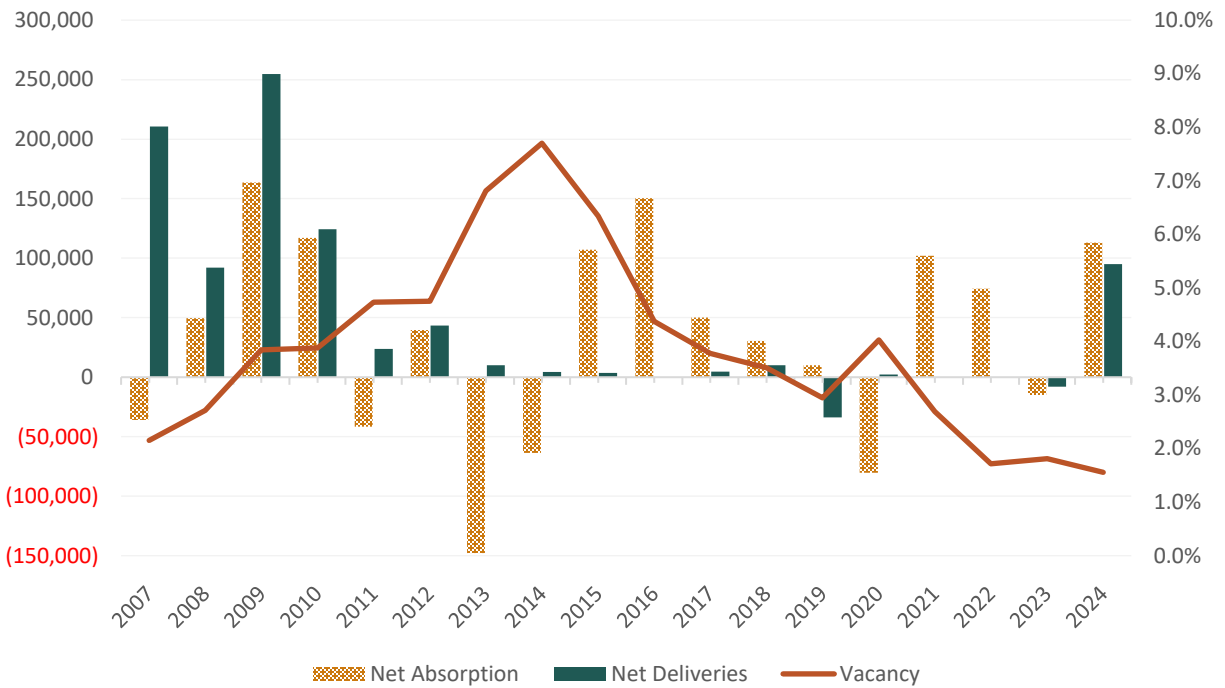
Figure 8-24. Office Vacancy Rates in Santa Fe with Regional Comparison, 2007-2024



Source: CoStar

²¹ CoStar ranking system assesses properties using a 5-star scale, considering various factors such as architectural features, structural and system specifications, amenities, site and landscaping treatments, third-party certifications, and specific details of the property type.

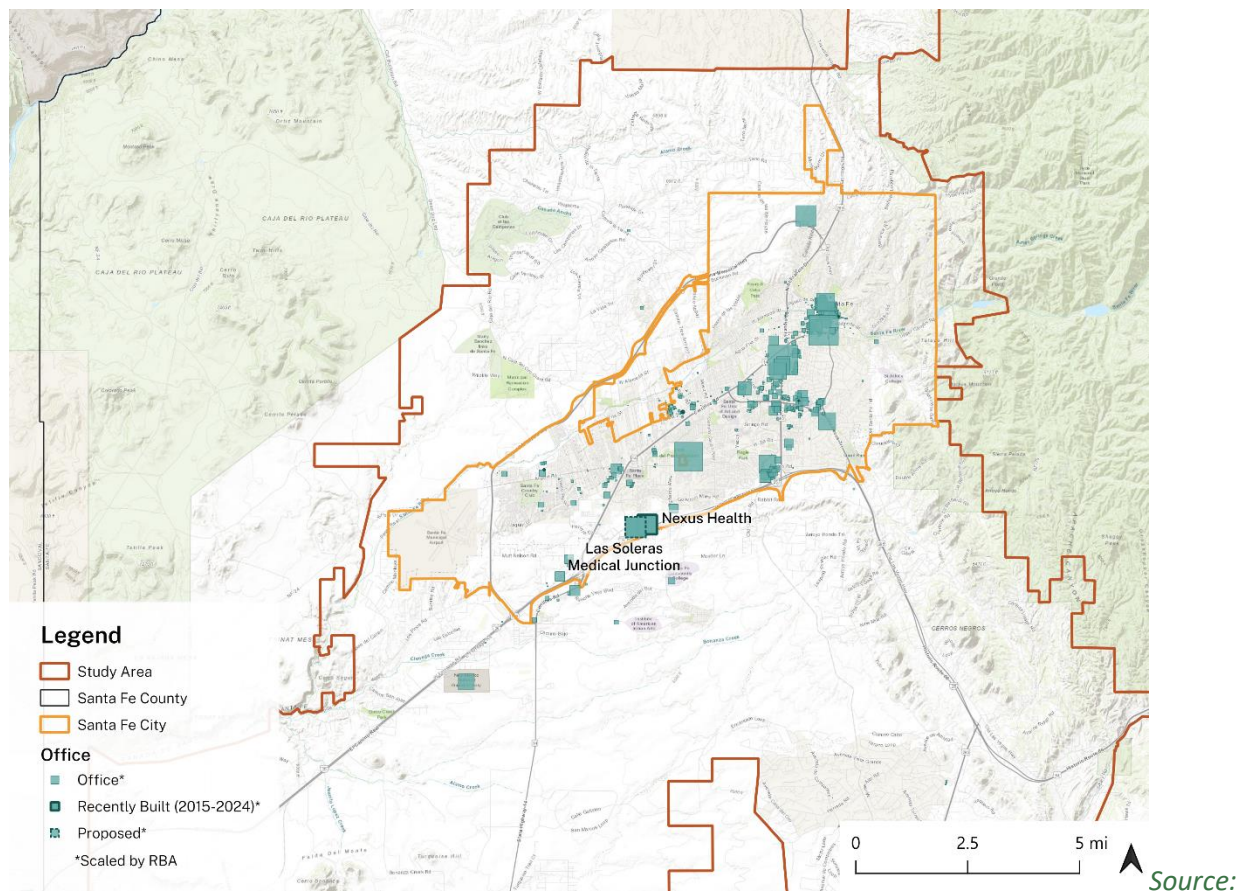
Figure 8-25. Office Absorption, Net Deliveries (sf), and Vacancy in Santa Fe, 2007-2024



Source: CoStar

Since 2011, a trend of low net deliveries has dominated the office market in Santa Fe. With relatively high absorption and low vacancy rates, the office market could be considered tight, as these parameters indicate the undersupply of space. The challenges of post-pandemic high office vacancies seen in other cities have not materialized in Santa Fe. However, there remains significant uncertainty about the long-term impacts of remote and hybrid work and how that will affect office demand in Santa Fe. In addition, the city should consider the special needs of the enterprises that come to the market as they might need more flexible mixed-use spaces. There is no office under construction as of Q1 of 2025. Figure 8-26 below maps known office property locations in Santa Fe.

Figure 8-26. Office Properties in Santa Fe



Source: CoStar

Planned and Proposed Projects:

- Las Soleras Junction** (Figure 8-27) is a planned mixed-use project at 4354 Beckner Road that will include mixed-use live/work/play development, a medical center, housing, educational and professional services, and open space. According to the CBRE, up to 56 acres is part of the transformative development of the Las Soleras Master Plan. Proximity and easy access to I-25 make this location ideal for multiple uses and formation of a mixed-use development.

Figure 8-27. Las Soleras Medical Junction



Source: CBRE

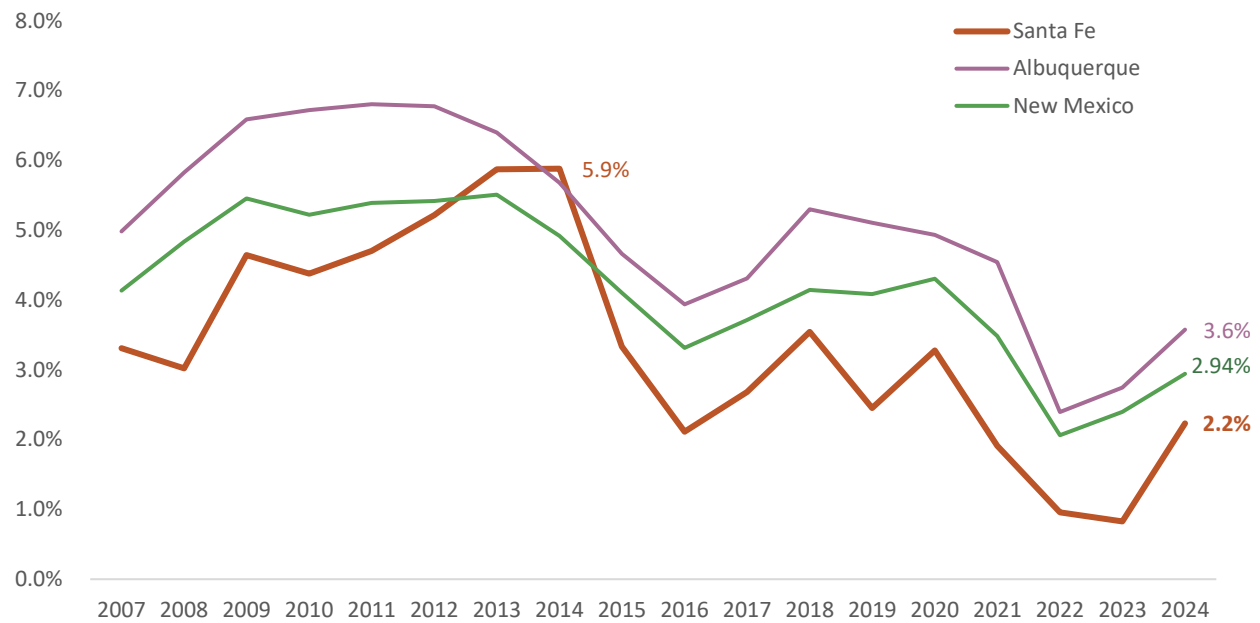
8.7.1.2 Retail

The expansion of ecommerce has accelerated since 2020. It has diminished the demand for large shopping mall spaces and expanded the need for warehousing and logistics facilities.

Retail inventory in Santa Fe is **9.16 million square feet**, including two restaurants of a total of 10,500 square feet undergoing construction in 2025.

In 2024, the vacancy rate of retail spaces was 2.2 percent, which was 0.5 percentage points lower than the 10-year average of 2.7 percent. This is 1.9 percentage points lower than the national average of 4.1 percent. Retail vacancies also tend to be lower in Santa Fe than in Albuquerque and across the state. In most markets, retail is considered stable when the vacancy rate is around five percent. Santa Fe's perennially low vacancy rate indicates a constrained market that could support new development, even with the downward pressure from online shopping. Figures 8-28 and 8-29 display retail vacancy and office absorption rates, respectively, in Santa Fe and compared with the region. Figure 8-30 below maps known retail property locations in Santa Fe.

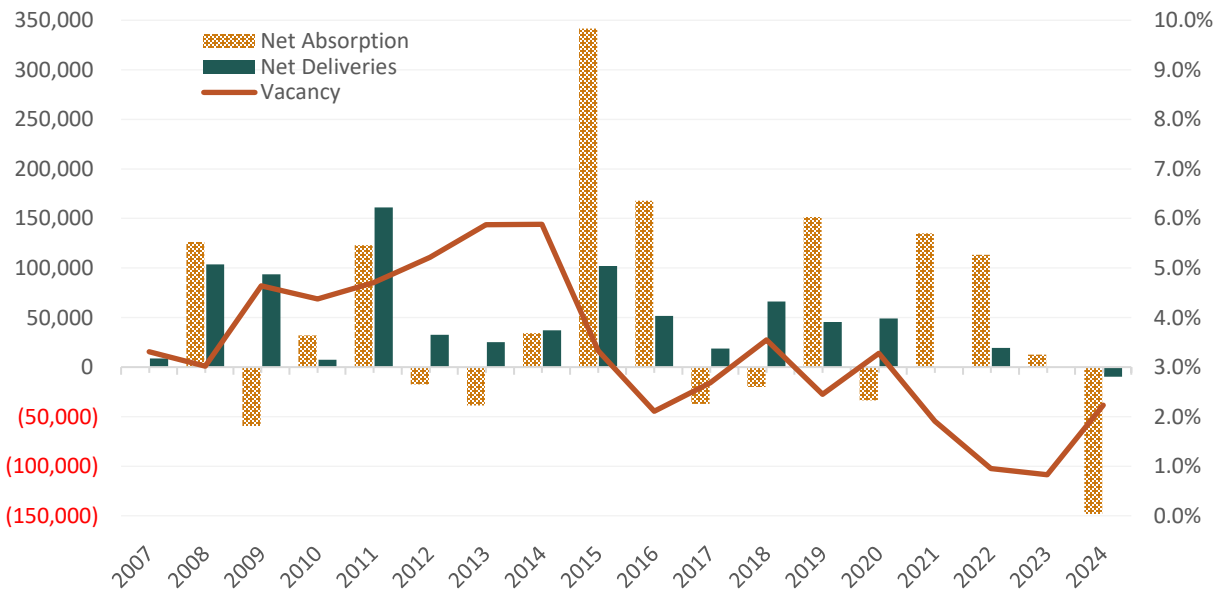
Figure 8-28. Retail Vacancy Rates in Santa Fe with Regional Comparison, 2007-2024



Source: CoStar

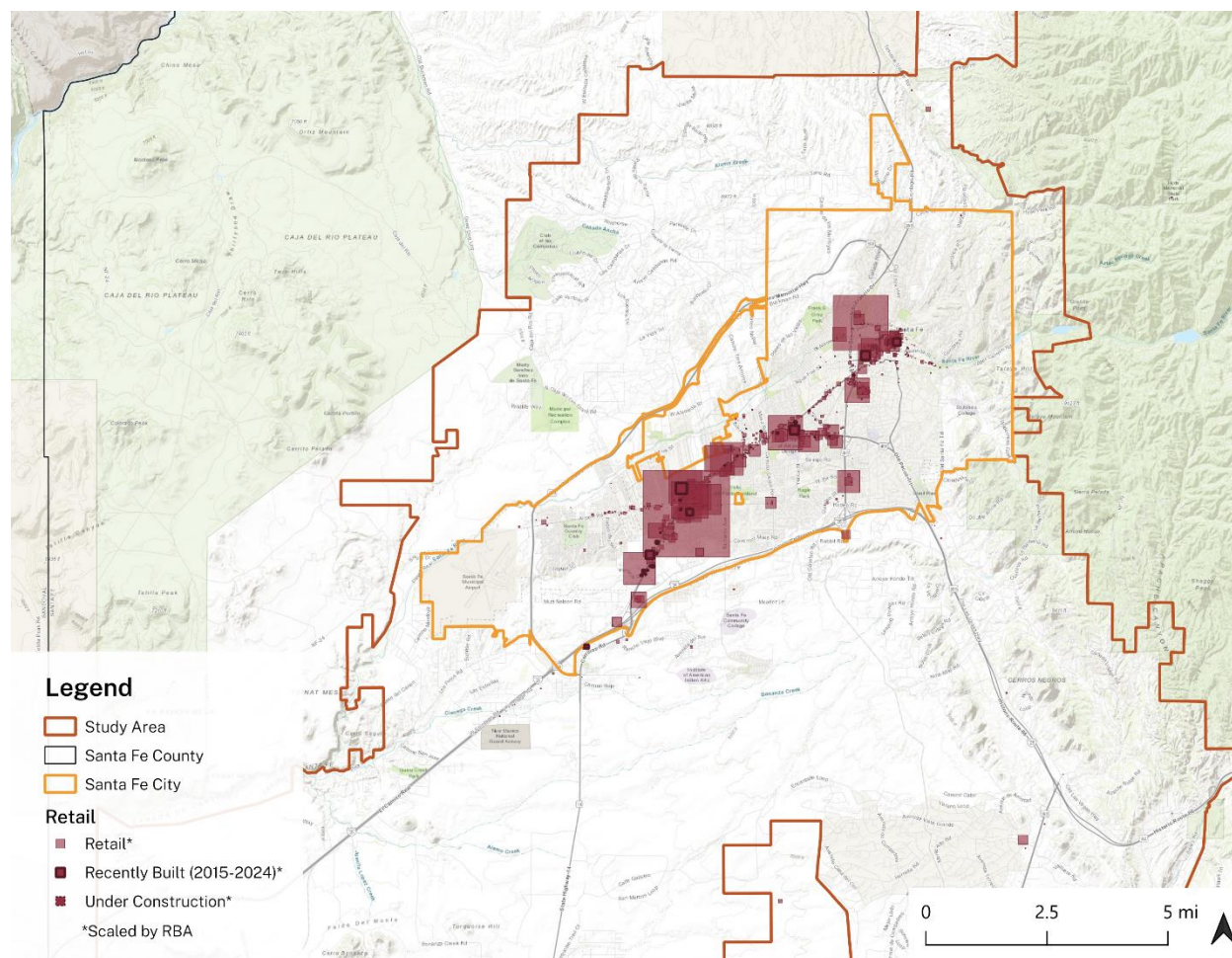
Retail absorption in Santa Fe was negative 120,768 square feet in 2024. This negative absorption and demolition of some properties increased the vacancy rate by 1.4 percentage points from the previous year.

Figure 8-29. Office Absorption, Net Deliveries (sf), and Vacancy in Santa Fe, 2007-2024



Source: CoStar

Figure 8-30. Retail Properties in Santa Fe



Source: CoStar

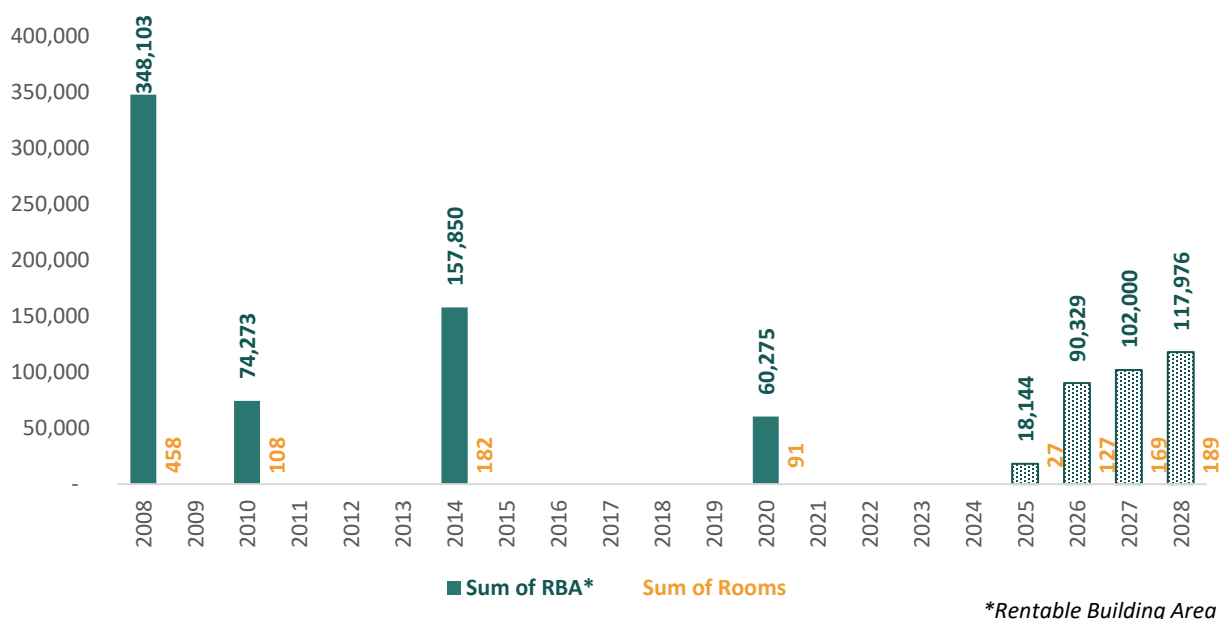
8.7.1.3 Hospitality

Tourism is a large sector of Santa Fe's economy due to its local history, cultural heritage, art market, and variety of outdoor activities. The COVID-19 pandemic has significantly impacted the tourism industry and hospitality real estate market in Santa Fe. The year 2020 and 2021 were the lowest in terms of total visitors and trips in the last five years, though hotels in Santa Fe have recovered to the pre-pandemic numbers of 2019, with occupancy rates of around 68 percent.

In Santa Fe, 4.4 million-square-foot hospitality market inventory consists of 5,250 hotel rooms, which is roughly a third of the New Mexico North market's²² room inventory. In 2025, one midscale hotel with 27 rooms is under construction in Santa Fe. Another five projects totaling 485 rooms are proposed at the final planning stages. Figure 8-31 below displays total new hospitality construction in Santa Fe, in both number of rooms and square footage, from 2008 to 2028 (estimated).

²² CoStar includes all the northern counties of New Mexico except Sandoval, Bernalillo, Valencia, and Torrance in the New Mexico North market.

Figure 8-31. Hospitality Construction in Santa Fe in Square Feet and New Rooms, 2008-2028

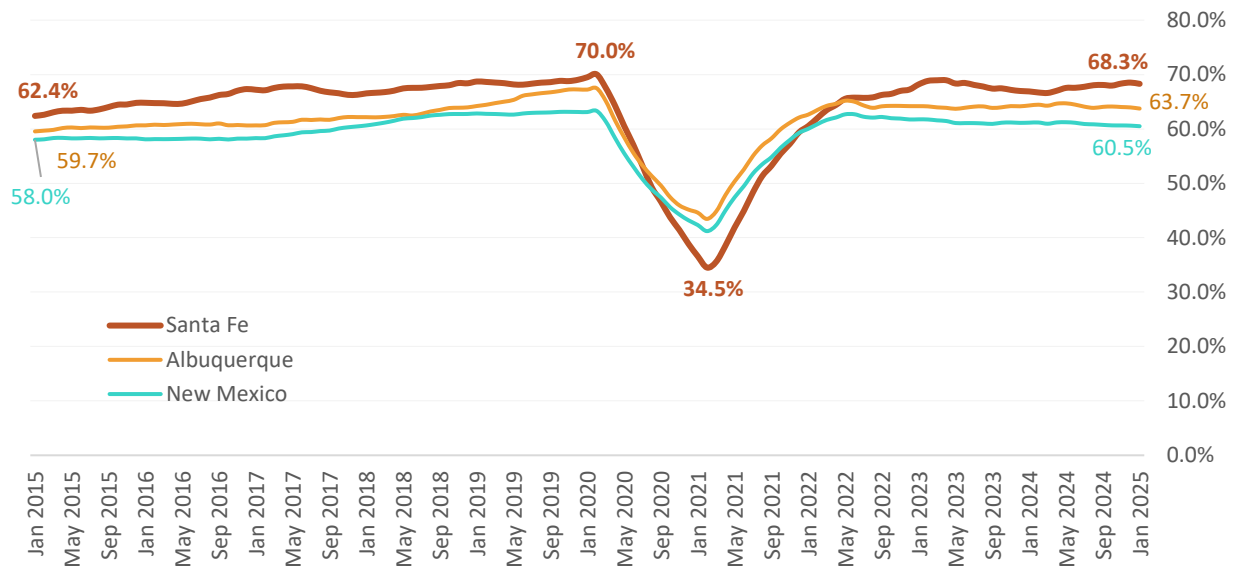


Source: CoStar

Construction in hospitality is not consistent year over year in the Santa Fe market, ranging from over 150,000 square feet in 2014 with gaps of zero construction between two to five years. Santa Fe's largest competitor for hotel rooms in the state is the city of Albuquerque, which has more consistently delivered hospitality properties to the market. As the Santa Fe occupancy rate has achieved pre-pandemic levels and the City continues to invest in the tourism industry, the demand for hotel rooms will increase.

The Santa Fe hospitality market fell dramatically during the year 2020, with the lowest occupancy rates at the beginning of 2021. Compared to Albuquerque and the state, Santa Fe suffered the most significant drop in occupancy rates. However, since the middle of 2022, Santa Fe's occupancy rate surpassed Albuquerque's and the state's and reached pre-pandemic levels at the beginning of 2023. Figures 8-32 and 8-33 below display the average occupancy rates and average daily room rates in Santa Fe respectively.

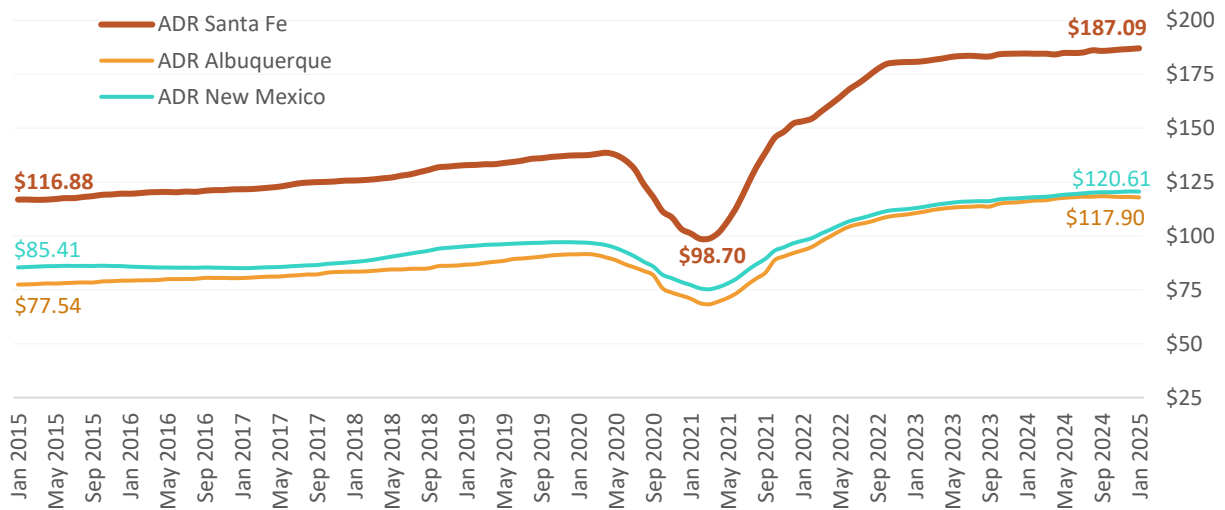
Figure 8-32. Occupancy Rates in Santa Fe with Regional Comparison, 2015-2024



Source: CoStar

The average daily rate (ADR) in Santa Fe is \$187 as of the beginning of 2025, which is the highest rate in the last 10 years. The city's ADR is 54 percent higher than Albuquerque's ADR and 46 percent higher than the state average ADR over the last decade. The high daily rate indicates consistent demand for hotels. However, high ADR may price out tourists with lower income levels and some in-state visitors.

Figure 8-33. Average Daily Rate in Santa Fe with Regional Comparison, 2015-2024



Source: CoStar

Planned and Proposed Projects:

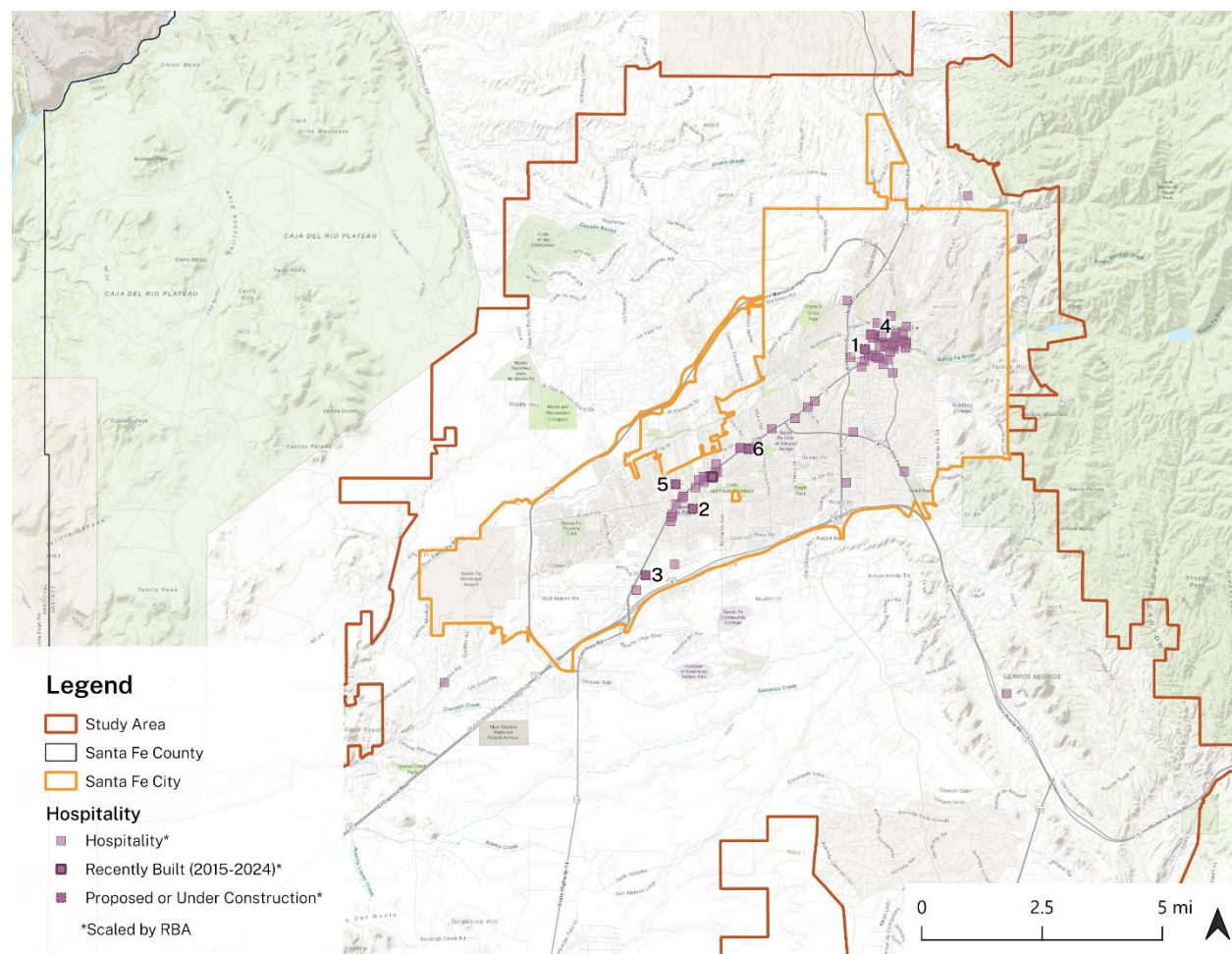
In Santa Fe, there are six proposed hospitality/hotel projects with a planned construction starting year between 2025 and 2028 (see Table 8-8). These projects will add 512 rooms to the market. Four of them are from the upscale to upper-upscale class. One midscale hotel (Hotel Flora) and one upper upscale (Autograph Collection Santa Fe) will be opened in Downtown, adding 97 rooms to the Downtown hotel inventory. All the other projects will be built in the northwest along Cerrillos Road (see Figure 8-34).

Table 8-8. Proposed Projects in Santa Fe

No.	Property Name	Property Address	Land Area (Acre)	RBA (sf)	Rooms	Year Built (Planned)	Hotel Class
1	Hotel Flora	400 Market St	0.86	18,144	27	2025	Midscale
2	Residence Inn by Marriott Santa Fe Southeast	3598 Zafarano Dr	8.54	90,329	127	2026	Upscale
3	Home2 Suites by Hilton Santa Fe South	5508 Wellness Way	1.55	49,500	99	2027	Upper Midscale
4	Autograph Collection Santa Fe	35 Sandoval St	0.41	52,500	70	2027	Upper Upscale
5	Staybridge Suites Santa Fe	4075-4085 Cerrillos Rd	1.15	76,500	102	2028	Upscale
6	voco Santa Fe	2900 Cerrillos Rd	2.03	41,476	87	2028	Upscale
	Total		14.54	328,449	512		

Source: CoStar

Figure 8-34. Hospitality Properties in Santa Fe



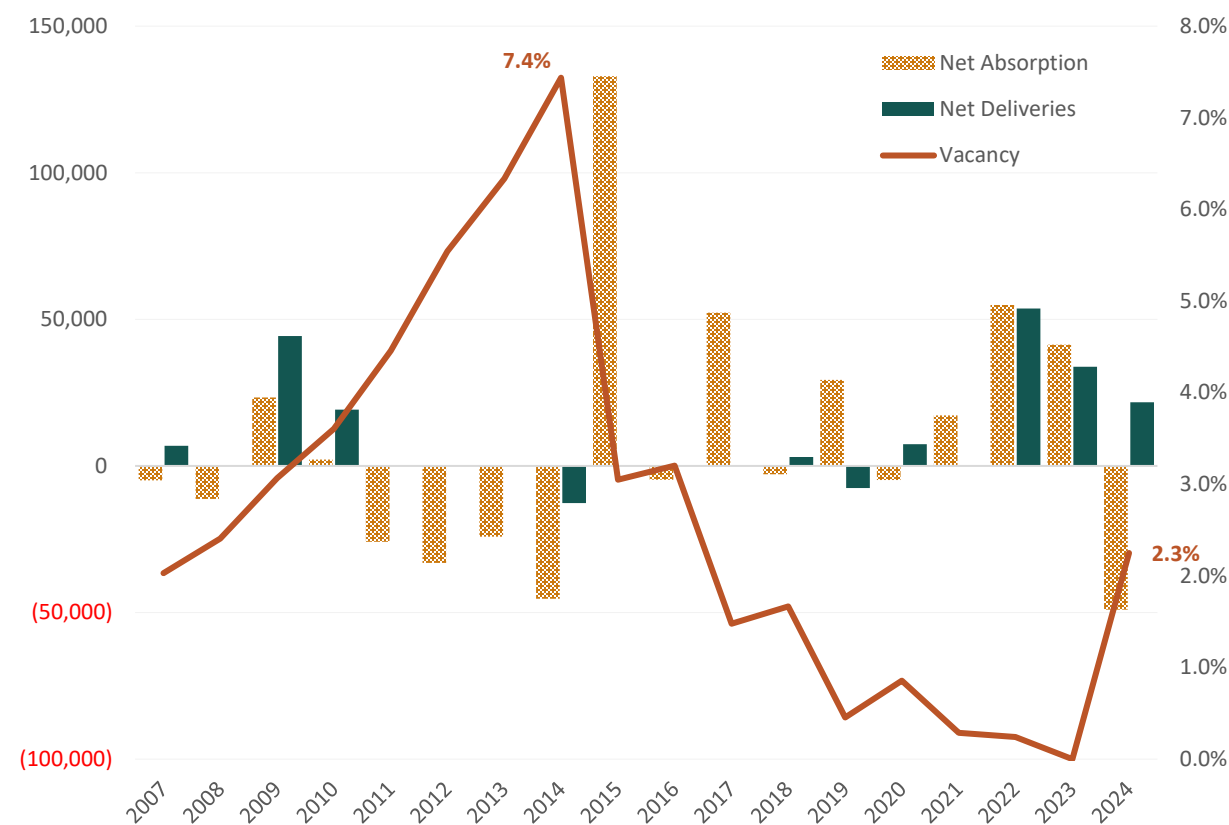
Source: CoStar

8.7.1.4 Industrial

The Santa Fe industrial market is supported by various sectors such as trades, contractors, and automotive tenants. The market is influenced and benefits from its proximity to Los Alamos National Laboratory, which supports scientific research and high-tech industries that need a range of industrial building types and sizes, from warehouses to labs.

Santa Fe has **3.16 million square feet of industrial property inventory** as of the year 2025. The Santa Fe industrial market is relatively small, with inventory representing 3.8 percent of the New Mexico market, compared to Albuquerque's share of 55.6 percent as of 2025. In Santa Fe, the net delivery has never exceeded 54,000 square feet in any given year during the last decade. As shown in Figure 8-35, in 2015, the high net absorption and the lack of net delivered space led to a significant decline in vacancy rates that continued over the subsequent eight years. Between 2022 and 2024, the Santa Fe industrial market sped up compared to the previous years, though there was **no industrial construction underway** in the city as of the beginning of 2025.

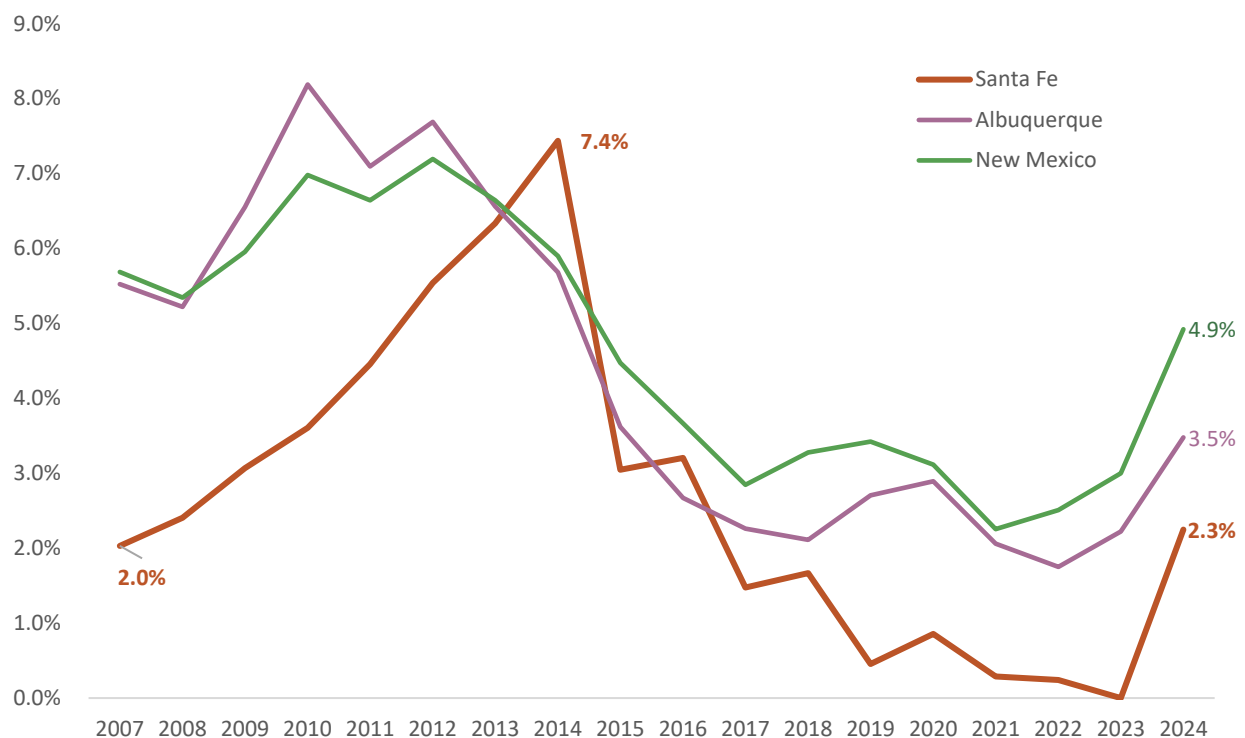
Figure 8-35. Industrial Absorption, Net Deliveries, and Vacancy in Santa Fe, 2007-2024



Source: CoStar

Low construction rates have led to low industrial property vacancy rates in Santa Fe with almost zero vacancy in 2023 (see Figure 8-36). After that year, the vacancy bounced back and reached 2.3 percent of vacancy in 2024 and 3.1 percent at the beginning of 2025. In 2024, Santa Fe's industrial property vacancy was 1.2 percentage points lower than in Albuquerque and 2.6 percentage points lower than across the state.

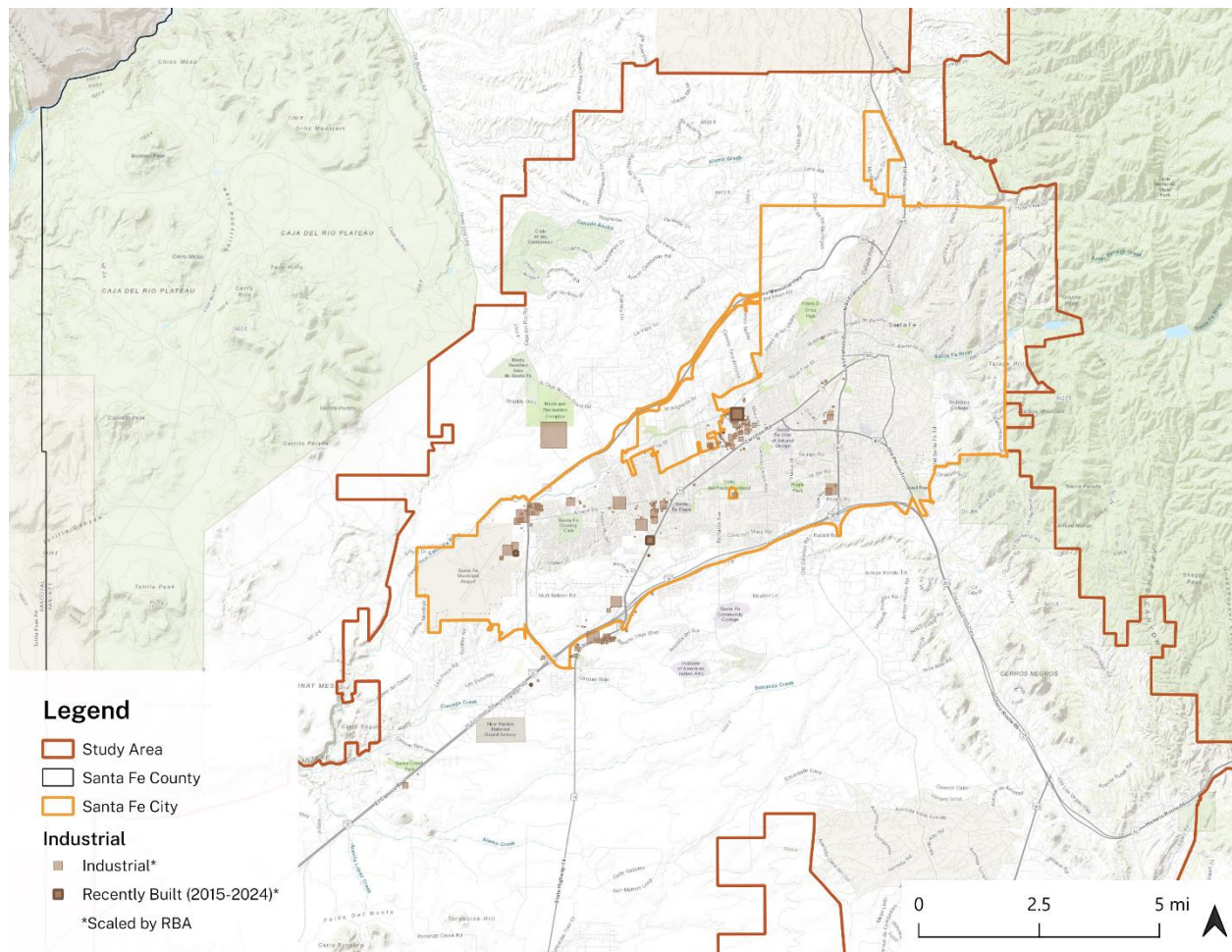
Figure 8-36. Industrial Vacancy Rates in Santa Fe with Regional Comparison, 2007-2024



Source: CoStar

Figure 8-37 visualizes industrial development in Santa Fe. Industrial properties are scattered across the southwest part of Santa Fe. The scale of development inside the city is relatively small, with the largest, over 100,000 square feet, industrial facility – Santa Fe Animal Shelter & Humane Society, located beyond northwest border of the city.

Figure 8-37. Industrial Properties in Santa Fe



Source: CoStar

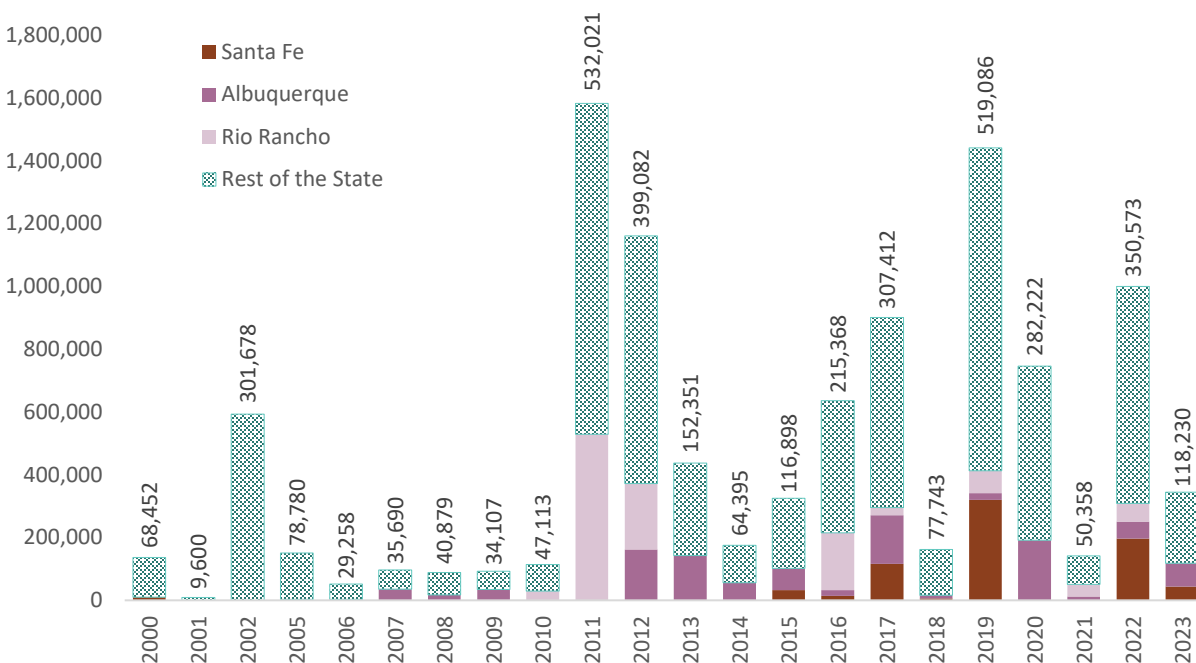
8.7.1.5 Healthcare

There is a total of **1.18 million square feet of healthcare properties** (not including the newly built medical office Nexus Health Center) in Santa Fe. Several healthcare facilities have been built in Santa Fe in the last five years, such as Presbyterian Santa Fe Medical Center (2019) and Continuing Care Retirement Community by La Secoya de El Castillo (2021). Figure 8-38 below displays the healthcare supply (in square footage) in Santa Fe and figure 8-39 below maps known healthcare properties in Santa Fe.

Multiple recent mid-size projects have been added to the healthcare market in the last two years. Two of them are in adjacent parcels of the large mixed-use Las Soleras Junction development project to the north of I-25. The Las Soleras node is projected to form a mixed-use cluster with extensive healthcare services provided along with residential, office, and commercial development.

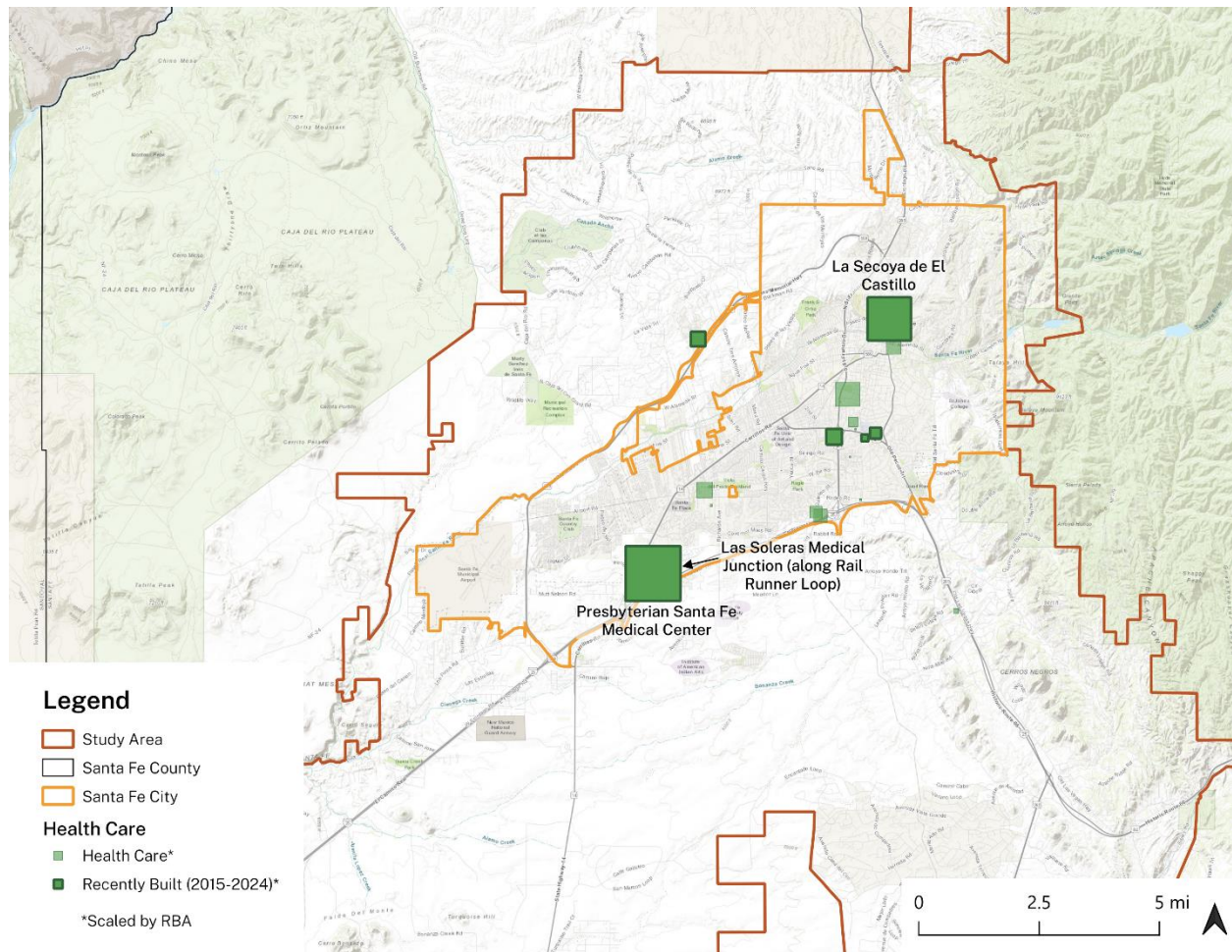
- Constructed in 2024, a state-of-the-art **Nexus Health** medical and office center located at 4200 Beckner Road features high-quality patient care and new technologies. Located on a 50-acre site, the center will have 95,000 square feet of healthcare space for oncology, primary care, surgical specialties, and other services.
- Presbyterian Medical Services has opened a new **Santa Fe Family Health Center** at 4730 Beckner Road in 2024. Constructed in 2023 on 5.37 acres of land, the 43,337-square-foot facility offers behavioral health, primary care, and dental services.

Figure 8-38. Healthcare Supply in Santa Fe with Regional Comparison, 2000-2023



Source: CoStar

Figure 8-39. Healthcare Properties in Santa Fe



Source: CoStar

Planned and Proposed Projects:

- There are no proposed healthcare facilities in North Central New Mexico, including Santa Fe County. However, the **Las Soleras Junction** (Figure 8-40) mixed-use project, mentioned in the office section above, will include Presbyterian Santa Fe Medical Center with 30 inpatient beds functioning as urgent and emergency care. According to the CBRE Las Soleras Junction booklet, there is 50,000 to 70,000 square feet of planned medical office space to the east of the Las Soleras Junction site.

Figure 8-40. Las Soleras Medical Junction



Source: CoStar

¹ Low-wage is defined as two-thirds of the median wage (\$32.19)