

## **5 STEPS TO COST – BENEFIT ANALYSIS**

STEP 1: Determine whether or not the requirements in the rule are worth the cost it would take to enact those requirements.

STEP 2: Make a list of one-time or ongoing costs (costs are based on market prices or research).

STEP 3: List intangible costs such as time and energy to comply with the requirements in the rule (determine the amount of money one would hypothetically be able to make if this time and energy were used for another purpose).

STEP 4: List projected benefits (assign a monetary amount to any tangible or intangible benefits).

STEP 5: Add up and compare the costs and benefits.