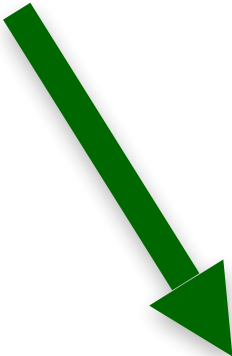


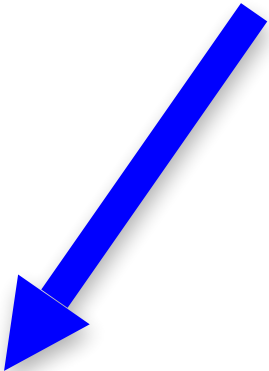
Out of pocket
expense



Explicit cost

Implicit cost

Rent you do not earn because
you can't rent out your building
and use it for your business



Rent you pay to
the land owner



If you *pay* rent for the
space/land/building



If you use your own
space/land/building



Explicit Cost = 0

You do not *pay* rent

The Cost of Land

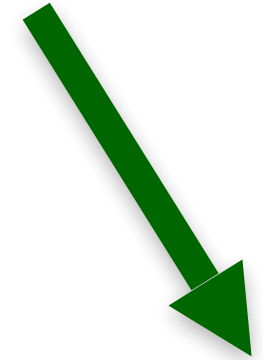
Opportunity Cost

The Cost of Land

If you **pay** rent for the space/land/building



Explicit cost



Out of pocket expense

Rent you **pay** to the land owner

If you use your own space/land/building



Explicit Cost = 0

You do not **pay** rent



Implicit cost



Rent you **do not earn** because you can't rent out your building **and** use it for your business

Opportunity Cost

The Cost of Labor