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OpenAl's AGI push complicated by investment deals, subscription cost dilemma

Article







The news: OpenAI is losing money on its **ChatGPT Pro** subscriptions—but predicts it now knows how to accomplish artificial general intelligence (AGI), per **Sam Altman**.

- Altman personally set the \$200 per month Pro subscription fee, but customers are using the application more than expected.
- When it comes to AGI, <u>AI agents</u> may join the workforce this year and "materially change" companies' output, Altman wrote in a <u>blog post</u>.

Climbing costs: Many consumers won't be willing to pay hundreds for a premium ChatGPT subscription, but its current fee doesn't even cover the <u>costs of processing user queries</u> and generating responses.

- ChatGPT costs as much as \$690,000 per day to operate, per SemiAnalysis.
- Altman said pricing may shift to a usage-based structure, though he ruled out time-based billing, per Bloomberg.

What about AGI? AGI is built into OpenAI's mission statement, which defines it as AI systems that are generally smarter than humans. However, the company's internal definition may be more fixed on finances.

- Altman wrote that OpenAI is confident in building AGI as it "traditionally understood it" and that superintelligence can accelerate scientific discovery and workplace innovation.
- However, the Microsoft-OpenAl partnership details that AGI is achieved only once it can generate about \$100 billion of profits, per The Information.

Many consumers aren't focused on Altman's proposed workplace use of generative AI (genAI) tools: 44% use genAI for shopping, 36% use it for recipes, and 24% use it for companionship, per Cisco Systems.

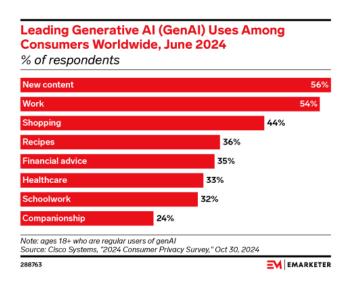
Risks of innovation: OpenAI is trying to <u>ditch its non-profit model</u>, but moving too fast could cost it major investors.

- A clause in the Microsoft-OpenAI deal says the former will lose access to OpenAI's technology once it achieves AGI, per <u>Financial Times</u>.
- In December, Altman said the company would've picked a different structure if it knew it would become a product company or would require so much capital.



Key takeaway: OpenAI's goals for AGI continue to shift, but raising prices to match operational costs could turn off users, especially those who access its tools for personal use or entertainment.

The company's reliance on expensive infrastructure and partnerships could skew its approach to AGI toward financial viability and revenues rather than human-centered tools.



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