# OpenAI's ChatGPT Pro struggles to achieve profitability despite high user engagement



On January 6, 2025, Sam Altman, CEO of OpenAI, revealed that the company is currently operating at a loss on its ChatGPT Pro subscription plan, which is priced at $200 per month. In a series of posts on X, Altman indicated that while the plan was intended to generate financial returns, it has not met initial profit expectations. "We are currently losing money on OpenAI Pro subscriptions! People use it much more than we expected," Altman stated, highlighting a surge in user engagement that has surpassed projections.

OpenAI introduced the ChatGPT Pro plan late last year, offering users unlimited access to its array of advanced models, including the sophisticated "o1" reasoning model. Internal testing of the service showed a significant improvement, with a 34% reduction in major errors on challenging questions compared to earlier versions.

Despite these advancements, OpenAI has yet to achieve profitability, having raised $20 billion since its inception. As reported by TechCrunch, the company secured over $6.5 billion in funding in October alone, elevating its valuation to $157 billion. This funding is recognised as one of the largest private investments, standing alongside notable companies such as SpaceX and the parent of TikTok, ByteDance.

Amidst these financial dynamics, OpenAI is in the process of shifting from a nonprofit structure towards a new organisation model to facilitate a future initial public offering (IPO). However, this transition is not without controversy. Elon Musk, a billionaire and co-founder of OpenAI, has filed for an injunction to impede this change, claiming that the company has strayed from its foundational mission.

Financial reports indicate that OpenAI is facing projected losses of approximately $5 billion against anticipated revenues of $3.7 billion for 2023. High operating costs, particularly the estimated $700,000 per day required to maintain the ChatGPT platform, are a significant factor contributing to these losses.

In addressing the challenge of profitability, OpenAI is considering various strategies, including the potential increase in subscription prices. Additionally, the company has set an ambitious target of reaching 1 billion users by 2025, which it aims to achieve through the release of new artificial intelligence products, enhanced infrastructure, and strategic partnerships, notably with Apple.

In a blog post, Sam Altman elaborated on OpenAI’s broader vision for the future, focusing on the development of artificial general intelligence (AGI) and the eventual goal of creating superintelligent systems. "With superintelligence, we can do anything else. Superintelligent tools could massively accelerate scientific discovery and innovation well beyond what we are capable of doing on our own, and in turn massively increase abundance and prosperity," he stated.

As the landscape of AI continues to evolve, OpenAI’s developments and their implications for business practices remain a critical focus for industries navigating the integration of emerging technologies into their operations.

Source: [Noah Wire Services](https://www.noahwire.com)

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