PILLAR

INSIGHTS

The tiered AI pricing model is leaving Latin America behind in the AI revolution.

When the paid model gets 66% of homework right and the free model gets 6%, AI access stops being universal. It becomes a tier of education one can or cannot afford.

01 — What changed since free ChatGPT was great.

Not long ago, I felt everything was possible with a Wi-Fi connection and a free ChatGPT account. While still imperfect, these early AI systems and their personalized "tutoring on demand" reshaped my educational practices. Globally, models like ChatGPT and Claude have now transformed educational settings by substantially challenging practices of research and content creation. However, today many students like myself can attest that AI is not the revolutionary tool it used to be.

Today, students are continually fighting the endless paywalls embedded in AI's new tiered design. The rise of token limits and feature gating has transformed AI usage into a time-consuming and frustrating experience, repeatedly penalizing students for engaging with complex prompts. While some can afford the new and improved version, other students face obvious educational disadvantages.

The shift was not announced. There was no week where the products were re-branded as a multi-tier subscription service. It happened by attrition. First the free tier kept the same name but quietly fell behind on model upgrades. Then the longer-context features moved behind a paywall. Then the image inputs. Then the research modes, the agents, the longer outputs, the priority access during peak hours. By the time students like me looked up, the version of the product we were using was a museum exhibit of what AI had been in 2023, while the version our better-resourced classmates were using was a genuinely different tool.

For a student, that drift is not abstract. It is the difference between getting an answer that helps you understand a problem and getting an answer that confidently invents a method that does not exist. It is the difference between an AI that can read the diagram in your textbook and an AI that cannot. It is the difference between a tutor and a chat toy.

The everyday experience of the free tier in 2026: shorter context windows, older models, and a steady cadence of "upgrade for the full answer" prompts that interrupt longer pieces of work.

02 — The 6% vs 66% gap is the divide, in one number.

I find a 2024 study made this struggle visible within classrooms. When researchers compared **ChatGPT 3.5 (free)** against **ChatGPT 4 (paid)** on an introductory statistics homework set, GPT 4 answered **66% of questions with images correctly** while GPT 3.5 only answered **6% of the same questions correctly.**[1]

That is roughly an eleven-fold difference on the same prompts. By 2026, one can only imagine that this gap has only widened, as users like myself are pushed towards new AI models. The free tier still produces text. It does not produce the same answers. And on the kind of multi-step, image-rich, quantitative problems that show up in real coursework, the gap is the difference between submitting a finished assignment and not.

It is important to be precise about what the gap is and is not. It is not that the free version "is slower" or "is a bit older." On problems that include a chart, a histogram, or a worked-out example as an image, the free version is essentially answering at chance. Six out of one hundred. The paid version, on the exact same problems, is answering correctly two thirds of the time. The student using the free model is not getting a worse tutor. They are getting a tutor that is wrong almost every time.

For a self-directed learner, that is corrosive in a way that the headline number does not capture. A student who trusts the free model's answers, because it sounds confident, walks into the next class with the wrong method in their head. The peer using the paid model walks into the same class with the right one. Multiply that across a semester. Multiply that across a degree. The compound effect is not a small disadvantage. It is a different education.

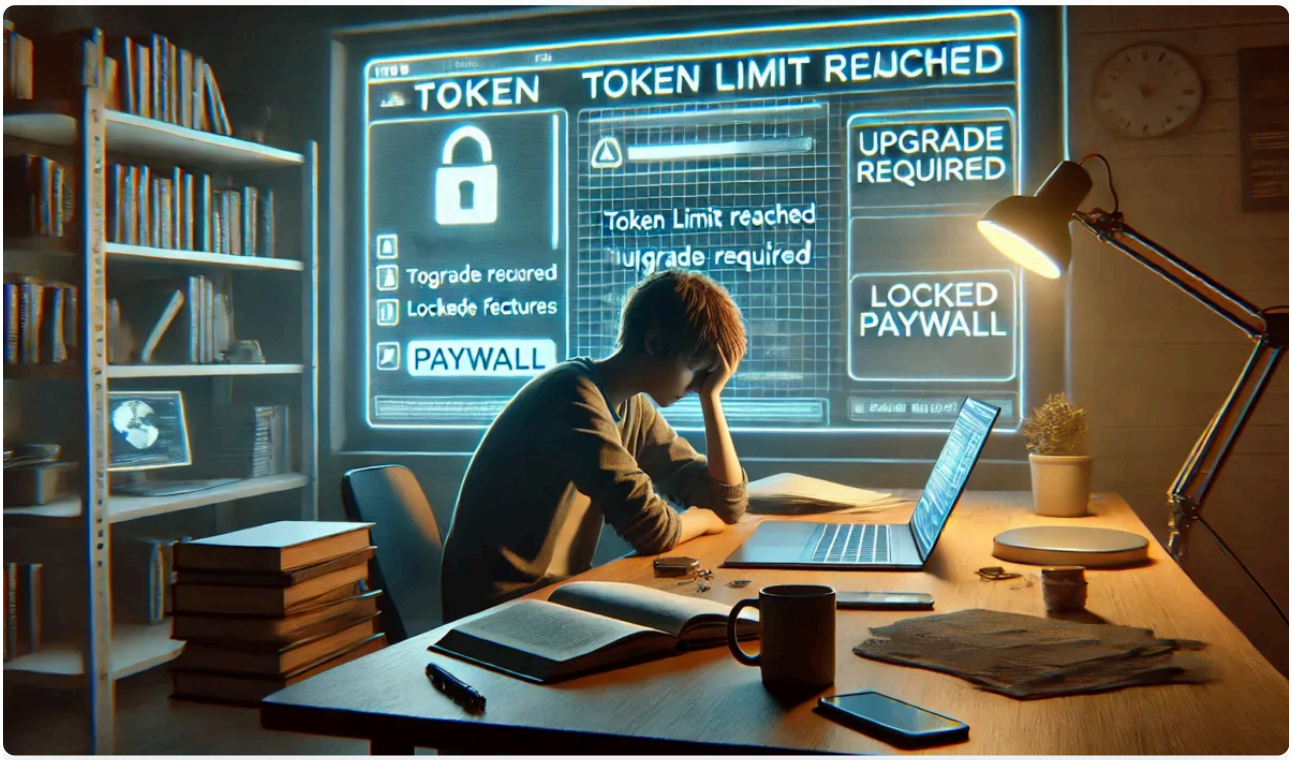
> *The free version still works for simple things. It does not finish your statistics homework. The paid version does. That is the divide.*

03 — Three tiers, one universal product, very different access.

More importantly, these educational inequalities represent a much larger global digital divide that is leaving Latin America behind in the AI revolution. Most major AI models like ChatGPT and Claude now seem to operate on at least three tiers: the free version, a premium version at roughly **$20**, and a pro version that runs **$100 to $200** per month.[2]

I find that while this pricing correlates to differences in models and features, their affordability does not translate equally across economies and socioeconomic classes. A $20 subscription in San Francisco is a sandwich. A $20 subscription, after local taxes, in Lima or Caracas is a meaningful share of a monthly paycheck. The product is marketed as one universal tool. The economics around it are not universal at all.

The tier structure does more than ration features. It also rations who is allowed to learn quickly. The pro tier is where the longer context windows live, where the agentic workflows live, where the deep research modes live. A pro user can ask a model to read a whole textbook chapter and a dataset and produce an annotated study guide. A free user can ask the same model to summarize three paragraphs, and even that response will increasingly be capped or interrupted by a soft paywall. The features that matter most for autodidactic study are the ones that have moved furthest behind the gate.



The same three-tier menu, priced in dollars and then re-expressed in months of minimum wage. Once you look at the second column, "basic" and "pro" stop being a consumer choice and start being a class boundary.

04 — Peru, Venezuela, and the math of access.

For example, in Peru, after the local taxes, the basic plan actually costs **$23.60** and the pro plan reaches **$236.**[3] This pro-subscription cost is equivalent to nearly **71% of Peru's monthly minimum wage**, or roughly nine months of savings for an average worker.

Venezuela represents a harder case. Here, the basic plan alone would require **over five years of minimum wage savings** to cover a single month of subscription.[3] That is not a budgeting trade-off. It is a structural exclusion. The math is decided before the student opens a browser.

These figures should not be read as outliers. They are the high end of a curve that runs across most of Latin America, and a meaningful share of Africa, South Asia, and Southeast Asia as well. Wherever the local minimum wage is anchored to a depreciating local currency and the AI subscription is anchored to U.S. dollars plus VAT, the gap widens every quarter.

It is worth pausing on what "nine months of savings" actually means in practice. The average worker in Peru is not saving the gap between income and rent every month. Most of the income is already committed to rent, food, transit, family, and the existing stack of recurring service bills. Nine months of *savings*, in the sense the study reports, may be eighteen months of actual elapsed time on the household ledger. A pro subscription is not a thing you save up for. It is a thing that gets crossed off the list before the list is written.

Even the premium tier — the one that the U.S. press tends to describe as "the consumer version" — sits at roughly two days of full-time minimum-wage work per month in Peru, before tax. That is the price of entry to the model that actually does your statistics homework correctly. The free tier remains available, the way a corner library is available. It is just not the same product the rest of the world is using to learn.

05 — Digital inequality has a new layer.

These numbers seem evidence of a new form of digital inequality, in which countless people from Latin America experience an uneven adoption and benefits of AI. Earlier digital divides were about who had a device, who had bandwidth, who had electricity. The AI divide is layered on top of those. Even with a phone, a connection, and power, the user still faces a tiered paywall whose top end consumes most or all of a minimum-wage paycheck.

While marketed as a universal tool, AI access now is solely about which tier of education you can afford. The free version is real. It is also visibly worse, on the exact assignments students are expected to complete, than the paid version. The question is not whether students will use AI in their education. They already do. The question is whether the model they can afford is the model that will let them finish their work, and whether the answer to that question continues to be decided by the currency they happen to be paid in.

There are things that can shift this. Providers can price by purchasing-power parity, the way several streaming and software companies already do for their core products. Universities and public libraries can negotiate institutional seat licenses and put paid-tier access in the hands of students who could not afford it personally. Open-weights models continue to lower the floor by giving people strong free alternatives outside the consumer subscription stack. And policymakers can begin to treat AI access as part of the basic education infrastructure rather than as a discretionary consumer good, the same way internet access was eventually argued into that category.

None of those levers are theoretical. All of them already exist somewhere. The question is whether the providers and the institutions in the wealthy countries that design and price these tools take the work of localizing access as seriously as they take the work of localizing language. The interface is in Spanish. The price is not.

06 — About the author.

PILLAR LATAM AMBASSADOR

Iris Dias

Iris Dias is a student writer covering the intersection of AI tooling, education, and access in Latin America. She contributes essays and field notes from inside the classrooms where these pricing tiers are actually being felt.

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References

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Frequently asked questions.

How big is the performance gap between free and paid ChatGPT?

A 2024 study comparing ChatGPT 3.5 (free) and ChatGPT 4 (paid) on introductory statistics homework with embedded images found GPT 4 answered 66% of questions correctly while GPT 3.5 answered only 6% correctly. That is roughly an eleven-fold difference on the same set of questions. The gap is not a matter of polish or speed. It is the difference between a student who can finish a graded assignment using AI assistance and a student who cannot, on the exact same prompt, separated only by who pays the subscription.

What are the typical AI pricing tiers students face in 2026?

Most major consumer AI models now operate on at least three tiers. A free version with limited access and older models. A premium tier at roughly $20 per month with access to current frontier models and more usage. And a pro tier at $100 to $200 per month with longer context, deeper research modes, and effectively unmetered access. The cheap-or-free version still works for simple tasks, but token limits, feature gating, and model downgrades push serious academic and professional work into the paid tiers.

How expensive is AI Pro in Peru compared to wages?

After local taxes, the basic AI plan in Peru works out to about $23.60 per month and the pro plan reaches $236 per month. A $236 monthly subscription is equivalent to roughly 71% of Peru's monthly minimum wage, or about nine months of savings for an average worker. For a student or a household near the minimum-wage line, the pro tier is functionally inaccessible. The premium tier alone consumes a meaningful share of a single person's monthly income, before any other costs.

Why is Venezuela an even harder case than Peru?

Venezuelan minimum wages have collapsed in real terms relative to dollar-denominated software subscriptions. Estimates suggest the basic AI plan alone would require more than five years of minimum-wage savings to cover a single month of subscription. That is not a question of trading off between AI and other expenses. It is a structural exclusion from the tool, regardless of how a household budgets. Venezuela is the extreme end of a curve that runs through most of Latin America.

Is this really a new form of digital inequality?

Yes. Earlier digital divides were about who had a device, who had bandwidth, and who had electricity. The AI divide is layered on top of those. Even with a phone, a connection, and power, the user still faces a tiered paywall whose top end consumes most or all of a minimum-wage paycheck. Marketed as a universal tool, AI now functions as a tier of education one can or cannot afford. In Latin America in particular, that means uneven adoption, uneven benefits, and a growing gap between the students who can finish their homework with a paid model and the students who cannot.

What can be done about the AI affordability gap?

Several levers exist in parallel. Providers can price by purchasing-power parity, the way some software and streaming services already do, so a Peruvian or Venezuelan user is not paying U.S. retail. Institutions, universities, and public libraries can negotiate seat licenses that put paid-tier access into the hands of students who could not otherwise afford it. Open and open-weights models lower the floor by providing strong free alternatives outside the consumer subscription stack. Policymakers can treat AI access as part of the basic education infrastructure rather than as a discretionary consumer good.

07 — Building the Spanish, Portuguese, and French-language internet that AI is going to

read.

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