

Issue Exploration Essay

Are subscription services worth the price?

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Do you have a subscription service? How much do you pay for that subscription? When was the last time you used that service? I feel that subscription services have become in an excess and over abundance eating into our monthly income that would otherwise be better invested and I have researched this question.

My first article that I read on investigating the questions I have about subscription services was from an article from money.com called “ Is Paying for Disney+ Worth it Just to See Baby Yoda? Here’s What Finance Experts Say About Subscriptions Overload.” By Julia Glum. (Glum, 2019). Glum’s article is about subscription service and she begins with baby Yoda and is it worth purchasing a subscription to DisneyPlus in order to watch the Mandalorian. Now like me Julia is already paying about \$75 dollars a month already on streaming services and news services. I think everyone agrees that baby Yoda is cute and we should all watch him, but at another monthly expense that is eating into our budget.

My second source of information comes from CNBC, an article with a subscription audit on yourself, called “ A Subscription audit can save you hundreds of dollars—Here’s how to do it.” By Mike Winters (Winters, 2022) It is important to start calculating the total of subscription services that you pay for monthly and annually that you do not use. This could be tough as we do not always remember how many of those subscription services we pay for, from streaming services, to box services to tanning services, we lose track of how many we actually spend on. But that’s why a subscription audit is so important for all of us to do once a year and save us hundreds of dollars

every year. Winter brings up a point to schedule something in reminders on your phone, or in a calendar to remind you that every year you need to look at your yearly subscription and monthly subscriptions.

My third source of information comes from the Federal Trade Commission that just made it harder for companies that offer subscriptions services by using illegal methods called, “FTC to Ramp up Enforcement against Illegal Dark Patterns that Trick or Trap Consumers into Subscriptions.” (FTC, 2021)

This ramping up and enforcing illegal dark patterns that hide the fact you are being charged for a “free” trial offer or make it harder for you to cancel behind multiple layers of settings or lengthy hold music. This helps consumers with subscription services and gives them more control of what they are being charged for and to cancel them when they are no longer using them.

I found it hard to find suitable articles and found no scholarly articles that help answer my question about subscription services. I thought I would find more information on this as this is something that is consuming a bigger portion of our incomes. I do not know why this is? or why are more people not paying attention to their checking accounts? During the pandemic it looked like I was about to lose my job and before I knew the amount that I would receive from unemployment, I made the decision to cancel my subscription services, like Amazon, Netflix, and HBO. I got rid of all my access and saved money for this, and was able to increase my savings to have a better rainy day fund. To this day I still avoid paying for monthly subscriptions and if I do purchase subscriptions like Paramount Plus for StarTrek Discovery and Picard I cancel

as soon as the show is done. I realized how much money I wasted on letting subscriptions continue after the show I was watching was over with.

I took a moment and added 6 subscription services together, Netflix 2022 \$15.49 (George,2022), Hulu\$12.99 (Hulu, 2022), HBO Max \$14.99 (HBO, 2022), Paramount + and Showtime \$11.99 (Paramount, 2022), and Starz \$8.99 (Cordcutting, 2022) and finally added Disney + at \$8.00 a month. (Webb,Cohen, 2022). That is a total of \$72.45 a month or \$869.40 for 12 months. This is money that can be better placed in a retirement fund, with compounding interest over time, I used an online calculator for this at investor.gov and investing initially \$869.40 and contributing \$72.45 a month on a 30 year investment on about 5% interest you will end up with \$61,519.43.

Are subscription services worth the price? I find that they are and we all love our entertainment. If you look at the time it takes to get to the movie theater, the gas you use, tickets and concessions you do save money and time from viewing movies at home. Only pay for one or two subscriptions at any given time and cancel one before I start another. Don't waste your money, you only get poorer while those businesses get richer.

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