

What Happens When You Have \$25,000 in Robinhood?

Having \$25,000 in your Robinhood account unlocks an important benefit for active traders. Robinhood, like other brokerages, follows the rules of the Financial Industry Regulatory Authority (FINRA). One key rule is the **Pattern Day Trader (PDT) rule**. Normally, if your account balance is under \$25,000, you are limited to making no more than three day trades (buying and selling the same stock in a single day) within a rolling five-business-day period. If you go over this limit, your account can be flagged and restricted.

Once your account reaches **\$25,000 or more**, that restriction is lifted. You can day trade as much as you want without worrying about penalties. This is helpful for traders who like to buy and sell quickly to take advantage of market swings.

Besides lifting restrictions, having a larger balance may also allow you to qualify for **margin trading** if you choose to enable it, giving you extra buying power. However, margin trading comes with more risk, since you are borrowing money to invest.

In short, hitting the \$25,000 mark on Robinhood gives you more flexibility and freedom to trade, but it also requires discipline and awareness of the risks involved.