

Robinhood

- New investors are attracted to Robinhood because of their low fees, zero balance requirement to open an account, as well as the easy-to-use interface.
- Robinhood has a limited range of offerings. Customers can trade stocks, ETFs, options, and cryptocurrency, but there is no fixed income, mutual funds, forex, or futures trading.

Robinhood good for

1. Very easy and simple to use

Robinhood's mobile app is extremely easy to use. Although the broker provides a web-based platform, it is a mobile-first company.

This is a key area of differentiation between Robinhood and its competitors. The mobile app is not actually robust. In fact, its features are basic. But for investors who know what they want, the platform is more than enough to quickly move from screen to screen, and place trades.

2. Low trading costs, access to fractional shares and cryptocurrency offerings

We can trade stocks, ETFs, options contracts, and cryptocurrency for free. Robinhood allows us to purchase fractional shares with as little as \$1.

If we enable the dividend reinvestment program (DRIP) in your account, Robinhood will automatically reinvest any earned dividends from stocks or ETFs—provided the positions support fractional share trading.

3. Good cash management

Robinhood's cash management features will allow us to earn .30% APY. We also don't have to pay ATM fees at any of the 75,000+ ATMs in their network.

Robinhood bad for

1. Limited research and educational resources available

Robinhood has little in the way of research or educational resources available for customers. If we want more than the basic stock quotes, we will likely need to subscribe to Robinhood Gold.

2. Limited investment offerings

Robinhood doesn't offer any mutual funds or fixed income investment products and we will not be able to trade any commodities, forex, or futures. Moreover, Robinhood only supports taxable brokerage accounts.

Conclusion

Robinhood is extremely easy to set up and use.

The trading experience on Robinhood's web and mobile platforms is fast, simple, and streamlined. For new investors, Robinhood has the functionality necessary to trade, but more experienced investors will find familiar tools missing.

Robinhood's range of offerings is extremely limited in that it only offers stocks, ETFs, options, and cryptocurrency trading.

- Cryptocurrency: Bitcoin (BTC), Bitcoin Cash (BCH), Bitcoin SV (BSV), Dogecoin (DOGE), Ethereum (ETH), Ethereum Classic (ETC), Litecoin (LTC)
- As mentioned, no mutual funds, no fixed income, no futures, no forex, and no futures options