When you deposit money in a bank, the bank does not place your bills in a separate envelope and wait for your return. It records the amount owed to you and makes that money accessible under the account's terms. A deposit is money placed into an account, and a depositor is the person or organization to whom that money belongs. Your deposit gives you a claim on the bank: an obligation for the bank to repay you according to the agreement (Investopedia investopedia.com). This explains why understanding a bank requires looking beyond the building. The bank is responsible for honoring a financial obligation to you.

A bank is a licensed business that accepts deposits, provides payment services, and makes loans. A loan is money provided to a borrower under an agreement to repay it. Banks earn money partly by charging borrowers interest, the cost of using borrowed money, while often paying depositors interest for keeping money in their accounts (Investopedia investopedia.com). Your account belongs within this larger business. The bank must manage its lending and other activities while remaining able to meet depositors' needs. Depositing money is therefore different from storing cash at home: it introduces an institution whose financial condition and safeguards become part of your money's security.

The usual starting points are a checking account, designed for frequent payments and withdrawals, and a savings account, designed to hold money for later use while generally earning interest. A withdrawal removes money from an account. Checking makes money convenient to move; savings gives money a separate place to remain until needed (Investopedia www.investopedia.com). Both are deposit accounts. Neither means you own part of the bank. You are its customer, and the bank owes you the amount recorded in your account, subject to legitimate payments, withdrawals, charges, and other adjustments.

That obligation has a painful history in Black America. Congress established the Freedman's Savings Bank in 1865, creating a place where formerly enslaved people and other customers could deposit earnings. Many accounts held small amounts accumulated through work. The Office of the Comptroller of the Currency, a federal agency that authorizes and supervises certain banks, documents how weak oversight, conflicts of interest, and financial mismanagement contributed to the bank's collapse in 1874. More than sixty thousand depositors faced losses totaling nearly $3 million, and only part was eventually recovered (Office of the Comptroller of the Currency OCC). These families had accumulated savings. The institution holding those savings failed them. Their experience is a concrete example of wealth being lost through institutional failure rather than household spending.

Frederick Douglass, the abolitionist and advocate for equal rights, became the bank's president shortly before its collapse. His reputation could encourage confidence, but it could not repair the financial damage already done. The bank closed only months after he took the position (Office of the Comptroller of the Currency www.occ.gov). That

distinction remains useful: confidence in a respected person is different from an enforceable financial protection. The bank's failure removed resources that could have supported businesses, property purchases, education, and family emergencies. Understanding this history helps explain why the protection of accumulated money belongs beside the effort to earn it.

Today, the Federal Deposit Insurance Corporation, usually called the FDIC, is an independent federal agency that insures eligible deposits at participating banks. Deposit insurance protects covered money when an insured bank fails. The standard coverage is $250,000 per depositor, per insured bank, per ownership category. An ownership category describes the legal arrangement under which an account is held, such as an account owned by one person or jointly by two people. Eligible deposits are automatically covered within the applicable limits; the customer does not purchase a separate insurance policy (FDIC; Investopedia FDIC.gov).

The phrase "per ownership category" prevents a common misunderstanding. Your individual checking and savings accounts at the same insured bank are generally added together when calculating coverage. Giving an account a different name or opening it at another branch of that bank does not create a separate insurance limit. Deposit insurance also does not promise protection against every possible loss: it covers eligible deposits against bank failure, rather than every scam or unauthorized transaction (FDIC; Investopedia FDIC.gov). You can verify a bank's insured status through BankFind, the FDIC's public directory of insured banks. The practical question is specific: which institution holds your deposit, and what protection applies to it? Answering that question gives your confidence a factual foundation.