

## Community Investments Vol. 8, Issue 4 Understanding Census Tracts and Block Numbering Areas

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The term "assessment area" may induce feelings of anxiety for CRA officers knee-deep in census data and maps charting census tracts and block numbering areas (BNAs). Although many banks have been able to retain the boundaries of their old "service areas," many others have had to redraw new assessment area boundaries in order to comply with the new CRA regulations.

The guiding principle under the new CRA is that assessment areas must "consist generally of one or more MSAs (metropolitan statistical areas) or one or more contiguous political subdivisions, such as counties, cities, or towns." Although the regulation states that banks may adjust their boundaries to include "only the portion of a political subdivision that it reasonably can be expected to serve," caution is advised. The regulation goes on to say that an assessment area "must consist only of whole geographies."

According to the regulation, the smallest possible "whole geography" is a census tract or a BNA. A bank that draws its assessment area and includes only parts of some census tracts or BNAs will have to redraw its boundaries. In addition, a bank must be careful not to arbitrarily exclude low- or moderate income census tracts or BNAs from its assessment area delineation.

Census tract numbers range from 0001 through 9499.99. BNAs range from 9501 through 9989.99, and both sets of numbers are unique within a county. They usually have between 2,500 and 8,000 persons, though if the population in either grows too large, they are divided; if the population shrinks, the tracts or BNAs may be combined. You can purchase maps of census tracts and BNAs from U.S. Government bookstores, from most universities, and from the Superintendent of Documents in Pittsburgh, PA. A list of 12th district data resource agencies is provided for your reference at the end of this article.

What are the differences between census tracts and BNAs? Census tracts are delineated for all metropolitan areas (as defined for the 1990 Census) and other densely populated counties. They are established by local committees and are considered relatively permanent. Tract boundaries may be revised, however, by dividing or combining whole tracts or by making minor adjustments in reaction to a local change, such as the removal of a road.

BNAs, on the other hand, are found in non-metropolitan counties and are established by representatives at the state level or by the Census Bureau. To date, very few BNAs have been converted to census tracts; this occurs only when a county becomes part of a larger metropolitan area or when local political pressure calls for conversion to a census tract.

Data collected for census tracts and BNAs include population, race, household composition, education, employment, income, poverty, and housing information. The Census Bureau updates this data on a frequent basis, but those updates are generally done for the larger census divisions such as whole counties, states, and the entire nation. Unfortunately, little information is routinely collected at the level of census tract or BNA. An exception to that is housing loan activity (in metropolitan areas only), which is mandated by the Home Mortgage Disclosure Act (HMDA). HMDA data are

collected annually from individual banks, and aggregate reports are publicly available.

A variety of software products are now available for speedy mapping and analysis of census data. Some companies will do the mapping for a fee, although larger banks often invest in their own software. Census data in these software programs are updated frequently, and though all of the data can be mapped without computers, it generally takes much longer to do it by hand.

The main thing to remember about assessment areas under the new CRA is that they must be composed of contiguous political subdivisions, and that portions of subdivisions can only be used if they are whole census tracts or whole BNAs. Numbers and maps for tracts and BNAs located in the states of the Twelfth Federal Reserve District can be obtained from the data sources which follow.