

# Spatial Dimensions of the Savings and Loan Crisis

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## ABSTRACT

Large numbers of savings and loan companies (S&Ls) failed in the late 1980s and early 1990s. This paper explores the origins and development of the S&L Crisis, embedding the topic within the wider theorization of the post-Keynesian state, particularly the critical role played by deregulation. Next it focuses on the geography of S&L failures and their causes. Third, an econometric analysis of the determinants of S&L failures finds them to be highly susceptible to local economic conditions. Fourth, it examines inter-regional transfers of failed S&L assets and liabilities, and measures statistically the importance of proximity between buying and selling regions as well as the economic structure of the purchasing region. The conclusion contrasts these findings to those of commercial bank failures.

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