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Colleges Ramp Up Debt Sales in Frenzied Race for New Students.

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US university students are up to their ears in debt. And, increasingly, so are many US colleges.

From small liberal-arts schools to giant universities, America’s ivory towers are on a borrowing binge as part of an effort to spruce up their campuses and lure the next generation of students. In just the last five months, roughly 50 colleges have tapped investors to build student centers, refurbish dorms, and make-over academic buildings as well as refinance debt — to the tune of $10 billion, according to data compiled by Bloomberg. That volume is more than double from the same time last year.

The fraught economics of higher education are leaving some institutions with an uncomfortable choice: take on more debt in the hope of attracting new students to campus — a bet that doesn’t always work out — or risk being left behind in the race for a rapidly dwindling pool of high school seniors. Adding to the peril, borrowing threatens to raise the cost of college, which is already pushing close to $100,000 a year at some institutions.

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By Amanda Albright and Sri Taylor

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