

Roads to Riches

How Stock Car Racing Became a Huge Sport— and Business

BY AARON STEELMAN

Baseball is America's national pastime. But stock car racing is its fastest-growing sport, with 10 million fans attending live races across the country each year, and another 250 million watching them on television. It wasn't that long ago, however, that stock car racing was a relatively small sport centered in the Southeast.

According to oral histories of the sport, the first stock car race took place in a cow pasture in Stockbridge, Ga., in the mid-1930s. Several moonshiners were debating who had the fastest car and who was the best driver. They decided to settle it by racing around a quarter-mile dirt track in the middle of a farmer's field.

more power for their frequent getaways from the police on the windy back roads of the South.

It wasn't long before farmers realized that there was money to be made from charging admission to stock car races. They fenced off their pastures and put up gates. "The drivers' payout continued to climb, too, and eventually the cash prize at the checkered flag was worth as much as running moonshine from Wilkes County [N.C.] to Charlotte," writes Robert Hagstrom in *The NASCAR Way: The Business That Drives the Sport*.

Probably the most famous bootlegger to ever race stock cars was Robert "Junior" Johnson. He ran whiskey for his father, Glenn Johnson, who had a successful moonshine operation in western North Carolina. Johnson would go on to win 50 races on the Winston Cup series sponsored by the National Association for Stock Car Auto Racing (NASCAR).

NASCAR's Roots

Moonshiners from Appalachia were the early stars of stock car racing. But the sport may have remained stuck on the dirt tracks of the rural South if it hadn't been for Bill France, known to most as "Big Bill." France was an auto mechanic and part-time stock car driver in Maryland who, in the mid-1930s, moved to Daytona Beach, Fla. Daytona was already well known to racing fans. Its long, hard-packed beaches made it a good location for drivers to try to set new land speed records. Each year, racers from around the world flocked to Daytona to try to post faster speeds — and hopefully to break the 300 miles-per-hour mark, long seen as the



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Early NASCAR races were held at small tracks throughout the Southeast prior to the construction of the super speedways at Daytona Beach, Fla., and Talladega, Ala.

That first race drew a modest crowd, but word quickly spread. Soon hundreds of people began to attend similar races featuring the best drivers in the area, many of them moonshiners. Producing and distributing moonshine was illegal, of course. Those who delivered it from the stills to the customers were wary of being caught by the police — or "revenueurs," as moonshiners called them. So these drivers souped up their cars to gain a little

holy grail of the sport. But strong winds prevented drivers from hitting this mark, and by 1936, many drivers had decided to take their cars to the Bonneville Salt Flats of Utah instead.

France, who had set up a service station shortly after arriving in Florida, realized that there was a void to be filled. Many people still wanted to see racing in Daytona, and the local business depended on the tourists coming to town each year. So he organized and promoted beach races in Daytona in the late 1930s. Those races were successful and France started setting his sights higher. He wanted to establish a racing series, with events throughout the Southeast. The problem was money. He needed a sponsoring organization to get things off the ground, so he helped form the National Championship Stock Car Circuit (NCSCC) and later the unfortunately named Stock Car Auto Racing Society (SCARS). Both organizations were short-lived. But they gave birth to NASCAR in late 1947.

The organizers of NASCAR realized that their sport was plagued by some shady businesspeople. For instance, racetrack owners would often overstate the sizes of the purses or not pay them at all. This left the sport in a precarious position. If stock car racing was going to succeed, drivers would

need to be assured that they weren't laying their lives on the line for nothing. So NASCAR decided to guarantee the purses at all events it sponsored. This meant that racetrack owners would have to put down a deposit with NASCAR before the race would be held. Also, in order to assure sustained interest in the sport over the course of the year, NASCAR established a points system. Drivers would accumulate points at each race, depending on how they fared, and at the end of the year, a national champion would be crowned.

In its first year, NASCAR sanctioned three different divisions, depending on the make and models of the cars: Strictly Stock, Modified Stock, and Roadsters. Strictly Stock cars had to be full-size American cars with standard hoods, fenders, bumpers, and grilles. In other words, they would be the types of cars that average people drove on a daily basis — except they would be equipped with fantastically powerful engines. Today, NASCAR sponsors a dozen series, including several regional stock car series and the Craftsman Truck Series. But the two most popular, by far, are the Winston Cup Series, where you will find the best-known racers competing, and the Busch Series, which features up-and-coming drivers. The Busch Series is to



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"Big Bill" France was the guiding force behind the creation of NASCAR.

the Winston Cup what Triple-A baseball is to the major leagues. Typically, a Busch Series race will be run on a Saturday and a Winston Cup race the following Sunday.

The Super Speedways

Even after NASCAR was founded, many of the races were still run on dirt tracks. Those tracks, to be sure, were in better shape than the cow pasture in Stockbridge, Ga., where stock car racing began. But they were a long way from what we think of as modern, professional raceways. In 1949, Harold Brasington went to Indianapolis to watch the Indianapolis 500. He wondered why

NASCAR 2003 Winston Cup Series

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| Feb. 8*Bud Shootout (FL) ¹ | June 1Dover Int'l Speedway (DE) | Sept. 21.....Dover Int'l Speedway (DE) |
| Feb. 13Gatorade 125's (FL) ¹ | June 8Pocono Raceway (NY) | Sept. 28.....Talladega Superspeedway (AL) |
| Feb. 16DAYTONA 500 (FL) | June 15.....Michigan Int'l Speedway (MI) | Oct. 5.....Kansas Speedway (KS) |
| Feb. 23.....North Carolina Speedway (NC) | June 22.....Infineon Raceway (CA) | Oct. 11*.....Lowe's Motor Speedway (NC) |
| Mar. 2Las Vegas Motor Speedway (NV) | July 5*.....Daytona Int'l Speedway (FL) | Oct. 19.....Martinsville Speedway (VA) |
| Mar. 9.....Atlanta Motor Speedway (GA) | July 13.....Chicagoland Speedway (IL) | Oct. 26Atlanta Motor Speedway (GA) |
| Mar. 16.....Darlington Raceway (SC) | July 20.....New Hampshire Int'l Speedway (NH) | Nov. 2.....Phoenix Int'l Raceway (AZ) |
| Mar. 23.....Bristol Motor Speedway (TN) | July 27.....Pocono Raceway (NY) | Nov. 9North Carolina Speedway (NC) |
| Mar. 30Texas Motor Speedway (TX) | Aug. 3.....Indianapolis Motor Speedway (IN) | Nov. 16Homestead-Miami Speedway (FL) |
| April 6Talladega Superspeedway (AL) | Aug. 10Watkins Glen International (NY) | |
| April 13Martinsville Speedway (VA) | Aug. 17.....Michigan Int'l Speedway (MI) | |
| April 27California Speedway (CA) | Aug. 23*.....Bristol Motor Speedway (TN) | |
| May 3*Richmond Int'l Raceway (VA) | Aug. 31.....Darlington Raceway (SC) | |
| May 17*The Winston (NC) ¹ | Sept. 6*Richmond Int'l Raceway (VA) | |
| May 25*Lowe's Motor Speedway (NC) | Sept. 14New Hampshire Int'l Speedway (NH) | |

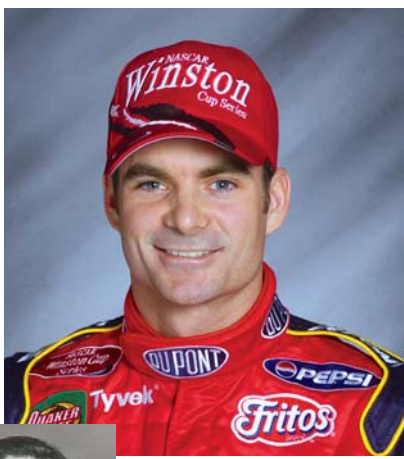
*Night race

¹Nonchampionship point events

Schedule is tentative and subject to change; visit www.nascar.com for updates.

SOURCE: Richmond International Raceway

a 500-mile race was possible for open-wheel cars, but not for stock cars, and could think of no compelling reason. So he decided to build a paved, 1.25 mile oval track with grandstands that would seat 9,000. The location would be his hometown of Darlington, S.C. This seemed improbable for two reasons. First, a paved — and, at that time, long — track seemed unnecessarily extravagant. Second, Darlington was a tiny town. But with the help of investors and Big Bill France, Brasington completed construction of the track in the summer of 1950. That Labor Day, the first Southern 500 was run.



NASCAR PUBLIC RELATIONS



INTERNATIONAL MOTORSPORTS HALL OF FAME

Robert "Junior" Johnson (left) ran moonshine in North Carolina before becoming one of the early stars of NASCAR. California native Jeff Gordon (above) has won the Winston Cup championship four times since 1995.

Few people really thought that 9,000 people would show up for the inaugural race at Darlington. If half that many came, Brasington thought it would be a success. But the event proved more popular than anyone had imagined. On race day, roughly 25,000 people came to Darlington. Since the grandstands could hold only about a third of the crowd, the organizers started selling seats on the infield area. It was, in many ways, a logistical mess for Brasington. But one that he was certainly willing to handle. It also showed France the potential of stock

car racing. He started to think of ways to tap into the sport's growing popularity. One idea: the super speedway.

To turn this idea into reality, France returned home to Daytona. He secured financing for a 2.5 mile track. This was the same lap distance as drivers ran at the Indianapolis 500, an event that France hoped his Daytona race would eventually rival. "The shape of the Daytona course, though, differed from Indy or anyplace else. It was a tri-oval, conceived by France to allow for an unobstructed view of the track from the grandstands," writes Joe Menzer in *The Wildest Ride: A History of NASCAR*. "The track was banked at a stunning thirty-one degrees in its top big turns, and at eighteen degrees in the apex of the swift dogleg that would run past the grandstands. Asked why the degree of the bank was set at thirty-one degrees, France replied simply, 'Because they couldn't lay the asphalt any steeper.' There was no place else like it in the entire world of racing."

The track struck awe in the drivers. Here finally was a track where they could see what their cars could do. NASCAR drivers had not been able to break the 140 miles-per-hour mark. But at the initial Daytona 500, run on Feb. 22, 1959, the average speed of the winner, Lee Petty, was over 135 miles per hour.

The track also struck fear in the drivers. In fact, as Petty would later remark about the first Daytona 500, "There wasn't a man there who wasn't scared to death of it." Petty himself would be involved in a horrible accident at Daytona just a few years later. His car flew 150 feet into the air, soared over the guardrail, and landed in the parking lot. He suffered a crushed chest cavity, a broken collarbone, and a broken leg. Petty, the winner of 54 races from 1949 to 1960, more than any other driver during that period, would race only six more times before retiring. His son, Richard, though, would become perhaps the best and most famous of all NASCAR drivers.

Daytona was great for spectators. With a parking lot that could hold 35,000 cars, grandstands that could seat

18,800, portable bleachers that could accommodate 6,500 more, and an enormous infield that could house 75,000 fans, Daytona was not just a race, it was an event.

Ten years after building the track at Daytona, France would construct what, in some ways, was an even more impressive course at Talladega, Ala. At 2.66 miles long and a lane wider than Daytona, Talladega became the fastest speedway, with drivers eventually posting speeds over 200 miles per hour.

Still, the Daytona 500 remained the signature event on the NASCAR circuit. When network television finally broadcast its first stock car race in 1979, it was from Daytona. To many, this may have seemed only a trifling advance for the sport. But it was much more. Cable television, which in 1979 was only in its infancy, would bring stock car racing into the homes of millions of Americans, dramatically boosting the popularity and profitability of the sport.

The Business of NASCAR

Unlike most team sports, there is no amateur draft in NASCAR. Nor do you have to finish in the top 125 on the money list to keep your playing exemption, as you do in golf. In NASCAR, if you can convince someone that you are good enough to race competitively and to pay for your team of mechanics and crew chiefs, you are ready to go. A company may have three or four teams. For example, in 1996, Hendrick Motorsports had teams for three drivers: Jeff Gordon, Terry Labonte, and Ricky Craven. Each of Hendrick's teams cost about \$7.5 million to operate that year. Another \$7.5 million went into joint efforts, such as car development. How does Hendrick pay for this? Far and away the biggest source of income comes from corporate sponsors who pay to advertise on a team's car and uniforms. About 55 percent of Hendrick's revenues in 1996 came from sponsorships. That year, the top sponsors were DuPont, Kellogg's, and Anheuser-Busch. Roughly 10 to 15 percent came from race winnings (which are split 50/50 between the driver and the



Richard Petty, known to many fans as simply “The King,” is arguably the greatest NASCAR driver of all time, having won 200 races, including seven at the Daytona 500.

organization), 10 percent from the sales of collectibles, 10 percent from research projects sponsored by General Motors, and 10 percent from leasing engines to other drivers.

Why are sponsors willing to put up so much money to sponsor a NASCAR team? According to Rubbermaid, which sponsors Kurt Busch’s No. 97 car, the answer is a high degree of brand loyalty combined with ideal demographics. More than 75 percent of NASCAR fans are in the 18-to-54 age bracket and, according to Rubbermaid, about 40 percent will switch to a product if it becomes a NASCAR sponsor.

“Since birth, NASCAR has understood how expensive it is to participate in stock car racing. Whereas baseball, football, and basketball all started with a fairly low operating base, which allowed owners to make a decent profit on their investment, the sport of stock car racing began with a substantial financial burden,” writes Hagstrom. “In order to survive, the sport had to master the sponsorship relationship. Today’s fans know how important the sponsors are; so do the drivers.”

Team owners also understand that it pays to take advantage of economies of scale. That’s why many sponsor multiple teams. Consider Hendrick Motorsports. Rick Hendrick, the company’s

president, owned car dealerships throughout the South before entering the world of NASCAR in 1984. At first, Hendrick had just one driver: Geoff Bodine. Later, Tim Richmond, Darrell Waltrip, and Ken Schrader entered the fold. All those drivers eventually left — Richmond died and Bodine, Waltrip, and Schrader went on to other companies — but the business advantage of running more than one team had become clear to Hendrick. So he quickly recruited new drivers to his company. “I related racing to the automobile business,” Hendrick told *Stock Car Racing*. With his car dealerships, Hendrick had learned that by “being able to share information we were more successful. I could think of no reason why the same theory wouldn’t work in NASCAR.” Since Gordon signed with Hendrick, he has won four Winston Cup championships and is now mentioned in the same breath with such all-time greats as Richard Petty and the late Dale Earnhardt.

The Framework for Success

A few years after Big Bill France organized NASCAR, he founded Bill France Racing Inc. It was this company that officially owned the track at Daytona — and which now goes by the name of the International Speedway Corporation

(ISC). The two organizations — NASCAR and ISC — are often thought of synonymously, mainly because they are both still run by the France family. But according to Doug Fritz, president of the Richmond International Raceway, it’s important to distinguish between the two. NASCAR, Fritz says, is the sanctioning body for the sport. In other words, it is a league office, much like the one headed by David Stern of the National Basketball Association or Paul Tagliabue of the National Football League. ISC, on the other hand, is a publicly held company that owns 12 major racetracks — including Fritz’s track in Richmond — and promotes more than 100 events each year.

Over time, ISC has branched out from the Southeast and built tracks in once-unlikely places such as San Bernardino County, Calif., Phoenix, Ariz., and Kansas City, Kan. In addition, Tony Stewart, the 2002 Winston Cup champion, is a native of Indiana. And Gordon, arguably the sport’s biggest star, also hails from outside the Southeast; he was born in California.

Stock car racing, according to one author, has gone “From Moonshine to Madison Avenue.” And while long-time fans and employees of the sport may think that statement is a bit hyperbolic, there is some truth to it. Certainly, the sport has come a long way since that first race in a Georgia pasture. **RF**

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