The Rush To Wall Street

/ISC Photo

Story by Steve Cole

There was a time not too long ago when a race track flourished or failed on the strength of only a few people.

More often than not, that group consisted of the track owner/promoter and his family, plus a few employees. This was the way race tracks operated, regardless of whether it was a local oval, drag strip or road course. Even the major race tracks, for the most part, operated in this fashion. Stop and think about it for a minute...the Hulman family and the Indianapolis Motor Speedway, and the France family at Daytona basically ran these two facilities for years using that tried-and-true formula.

Even as the France family began to slowly expand their race track holdings, first by building Talladega and then joining with Corning Glass to acquire Watkins Glen, it was still the France family and the France money (along with the banks that backed them) that built and promoted them. The same held true for the Hulmans.

In Concord, North Carolina, Bruton

Smith was rebuilding the Charlotte Motor Speedway into a Taj Mahal of motorsports. For many years, when you spoke of Charlotte Motor Speedway, the name that came to mind was Humpy Wheeler, the promoter's promoter. For getting people wound up about a race, very few can surpass Humpy's flair for showmanship, and his pre-race shows over the years at the World 600 (now the Coca-Cola 600) are legendary. But during recent years, Smith has become as much a public figure as his promotion-minded general manager.

As motorsports grew into the last decade of the 20th century, prodded by the needs of television and the successes of promoters like Wheeler, race track owners, large and small, realized they were in show business. They always had been, very few of them ever understood it.

Television coverage provided horsepower to get more fans into the facilities. It was also providing the leverage for the entrance of many companies, from rather small, regional companies to the operating divisions of huge, multi-national conglomerates, into the motorsports marketing arena. This influx of new money also provided an influx of new ideas as to how to manage the growing motorsport promotion businesses.

Television has proven to be a two-edged sword. For all of the positive aspects television coverage of motorsports brought to the table, it also brought some problems for the track owners and promoters. Long time, hard-core race fans tolerated the hard seats, less-than-desirable restroom facilities (if they were less-than-desirable for the male fans, what was available for the female audience was abysmal) and track food was not the greatest. However, for newcomers to races, the only saving grace was probably the action on the track, because the creature comforts were very lacking.

The sponsoring companies (backing race teams, point funds or had event or series name rights) wanted to not only get their names in front of the fans in the stands (and those watching at home), they desired to use races as a corporate entertainment vehicle. However, track food and port-a-potties were not the type of fare corporate guests were going to accept. Neither were long waits in lines of traffic get to or from the track on two-lane roads. The corporate hospitality programs didn't come about overnight, but as more companies became involved in motorsports, the pressure on the tracks to "clean up the act" increased.

The entire direction of motorsports was changing. Like country music in the 1980s, racing was going uptown, and if you wanted to survive, you'd have to take the trip. However, making the trip cost money. Some didn't (or couldn't) make the trip, others almost didn't.

Even the seemingly "well-heeled" track owners began to feel the pressure. The track owners found themselves involved in a race of their own with other forms of entertainment - professional and college sports, amusement and theme parks, etc. - for the capital to keep pace or get ahead. At the same time, banks which had been partners with many tracks were undergoing their own changes, with consolidations and new faces asking lots of questions. There was a re-education process going on between the race track operators and the banks. Sometimes, the old relationships weren't enough and needed capital was not forthcoming - even for the strongest and most successful.

Many realized if there were to be facilities improvements, there was a need for a source of capital in addition to the traditional lending institutions. Most track owners/promoters, even the most successful and seemingly well-heeled, however, were maxed-out on their credit.

For the biggest race tracks, there was a need to secure and hold the most precious thing of all - a Winston Cup date. Even the most casual fan of motorsports could see the problem if he thought about it for a minute. NASCAR was going to have a limited number of Winston Cup race events (currently at 33 events). Tracks of a mile in length or more were going to get any additional dates, the short tracks weren't. Tracks that upgraded their facilities were more than likely to get dates (or keep the existing dates) than those who did not. New facilities would get dates, and often at the expense of the older, less sophisticated facilities.

And the first law of real estate came into play - location, location, location. New facilities in major television markets are extremely desirable. As far as NASCAR was concerned, that meant moving outward from the traditional southeastern U.S. power base at an accelerated rate. As history has already shown us, that has come (in some cases) at the expense of established tracks with a history that went back to the roots of NASCAR.

The arrival of motorsports marketing as an accepted and often highly successful means of a race team obtaining a sound financial base was not lost on the track owners and promoters. It is racing with OPM - Other People's Money. They (the track owners/promoters) had been using OPM as well, but they needed to tap a much bigger source of OPM. That source became the same one used by Ford, General Motors, Proctor and Gamble, Anheuser-Busch, Phillip Morris, DuPont, RJR-Nabisco, Ashland Oil, Texaco, Kellogg's, etc. to raise capital - the stock market.

The first to make the attempt at becoming a publicly-traded company should have been no surprise to anyone - Bruton Smith in the mid-1990s. Bruton wanted to expand his reach into the Winston Cup schedule - in fact, he needed to. The France family held seven dates, since they owned Daytona, Talladega, Darlington and Watkins Glen (in addition to NASCAR itself). Additionally, Roger Penske held two more dates at Michigan and was intending to build a track near the site of the old Ontario Motor Speedway in the Los Angeles area, which would capture the second-largest television market in the country and arguably the best as far as the size of the motorsport/automobile enthusiast market was concerned. So nine and possibly ten Winston Cup dates (depending upon what might transpire at Penske's Fontana, California site) were held by two groups, led by two powerful men. And, the quiet alliance between two of the most powerful men in American motorsports, Bill France, Jr. and Tony Hulman of the Indianapolis Motor Speedway, added the tenth date or roughly 30 percent of the NASCAR Winston Cup schedule out of Smith's hands.

Some key players in the move to bring racing to Wall Street include Roger Penske (l) and Bill France (r). **/Dean Nardi Photo**

Steve Mayer of Los Angeles, California, who covers the publicly-traded motorsports companies for National Speed Sport News, is one of only a handful of people who closely follows this very specialized market. There is no question Mayer's insightful commentary has made the NSSN the authority when it comes to the publicly-held players motorsports. Mayer, a long-time motorsport photo-journalist, began watching the motorsports-related stocks (manufacturers, sponsors and others) as kind of a hobby, says, "I got started following the companies that were involved with racing on the stock market on a somewhat casual basis. What I had learned over the years put me in an interesting situation when the track owners began going public."

Mayer's mind and his computer are full of the history of the evolution of motorsport's relationship with the stock market. He recalls there was a pivotal point in the mid-'90s when Smith and Wheeler were at the crossroads. "Bruton Smith and Humpy Wheeler are visionaries. They have a very clear idea of where they are and where they want to be. Both men knew that they had to expand out of the Charlotte Motor Speedway, if the business was to continue growing.

"It was at the time that Bruton wanted to build the Texas Motor Speedway on the outskirts of Ft. Worth. He had his eye on this major market for several years. But, his long-time banker, Nations Banks, wouldn't extend the loan needed for the project, without additional equity investment brought into the company."

So, Bruton and Humpy restructured Speedway Corporation, and began to look for an underwriter to take the company public.

According to Mayer, the needs for Speedway Corporation's Ft. Worth facility were very modest by the standards of the securities market. "However, Bruton and Humpy understood what was required by the investment community. They did their homework on what the institutions needed to know to make the effort successful and patiently presented what the needs of Speedway Corporation. Speedway Corporation (NYSE: TRK) did an excellent job of 'promoting' the I.P.O. (Initial Purchase Offer) to the market, and they were very successful."

That effort not only financed the Texas Motor Speedway, but it also launched several other track owners into the publicly-held arena. Soon after Speedway Corporation sold out its I.P.O., Penske Motorsports (NASDAQ: SPWY) joined the market, and presented its I.P.O..

As it turned out, all of the very big players had run into the same brick wall. The banks simply weren't into such large projects. For many, Penske Motorsports going public was a surprise, given the far-flung nature of Roger's multi-billion dollar empire. However, the issue wasn't Hertz-Penske, Detroit Diesel-Allison, Penske's auto dealerships and Penske Auto Centers (and whatever else Roger has acquired) - this was strictly Michigan International Speedway and the proposed California Speedway at Fontana, California. There were also other considerations, according to Mayer, one of which was estate planning. Roger is not as young as he once was, points out Mayer. He has to consider protecting his business holdings and for his estate, and according to Mayer, this also had to enter into the overall equation.

The France family's empire also joined the trend. The desire to make more improvements to the existing tracks (especially Daytona), and to expand the International Speedway Corporation's (ISC) holdings chose to re-enter the public arena. "Using 'Other People's Money', where the investor concentrates on stock appreciation, is cheaper, to ISC's point of view, than borrowing from the bank," Mayer said.

When ISC (NASDAQ: ISCA, OTCBB: ISCB) went public, this really caught people's attention. "The ISC wanted to come into the market quietly," said Mayer. "It is almost like they may have been trying to put their I.P.O. out there and hoped no one would notice. But it's kind of hard to hide the sleeping giant, and the fact that they had entered the market made everyone take notice." Since the ISC went public, it has made improvements in all their facilities, most recently Darlington, and also purchased the Phoenix International Raceway from Buddy Jobe late last year. At the end of last year, ISC announced the intent to build a facility in the Kansas City area, on the Kansas side of the Missouri River.

Another player that entered the public market was Chris Pook, promoter of the FedEx/CART Toyota Grand Prix of Long Beach event, and his Grand Prix Association of Long Beach (GPALB). Pook had a problem. The GPALB had few tangible assets to speak of - no bricks and mortar, or in the case of a race track: pavement and guardrail. All he had to show for many years of promoting the race in the shadow of the Queen Mary and Howard Hughes' "Spruce Goose" was a piece of paper between the GPALB and the City of Long Beach stating that he could hold a race in April on the city streets. Pook needed some hard assets; he needed a race track facility, both as collateral and as a fallback should something happen to the agreement with the city of Long Beach.

Pook went public, and bought the somewhat troubled Memphis Motorsports Park, with a dragstrip, road course and a high-banked dirt oval. The GPALB then built Gateway International Raceway across the Mississippi River from St. Louis, consisting of a mile oval and a separate dragstrip. Interestingly, Penske Motorsports and International Speedway Corporation each acquired seven percent of GPALB. Now Pook had some interesting horsepower operating with him - the France family and Roger Penske.

There are several other tracks which are publicly-held. One that is somewhat quiet, but highly successful is Dover Downs. Because of its gambling connection (remember, it's one of the handful of slot machine casinos in Delaware), Dover not only has the stockholders to satisfy, but the Securities and Exchange Commission and the State of Delaware's gaming commission as well. Another is

Brainerd International Raceway in Brainerd, Minnesota, a division of The Colonels, known for its light truck accessories. Brainerd is a combination road course/drag strip and hosts a National Hot Road Association (NHRA) National Event, plus an ASA race, plus some SCCA events every year.

One thing that must not be inferred from the need to "go to Wall Street" for capital, and that is that any of the track owners/promoters being in financial trouble. If there was trouble, the offerings would not have been successful, because the Securities and Exchange Commission, which oversees the stock market, requires every company reveal, in detail, its fiscal condition. Additionally, the securities analysts employed by the major trading houses, as well as the independent market watchers, would have uncovered any sleight of hand, which would have made the selling of stock virtually impossible. Also, the very high profile position of these tracks and their management teams, coupled with the unconventional nature of the "product" being offered meant that the track owners had to be like Caesar's wife: above suspicion.

Okay. So you take your company public. You have the facilities. So, what's really needed? Race dates...these are the most precious commodity, those that have them have a real leg up on those who covet them.

According to Mayer, things began to heat up in 1996 and through 1997. If you follow racing, there has been plenty of shuffling of ownership of tracks and new construction. And all of this has not come from the aforementioned publicly-held companies. The developments have made for some strange, sometimes temporary bedfellows and some very public, nasty disputes.

For example, there was the very complex and very public fight over the North Carolina Motor Speedway in Rockingham, North Carolina. Penske Motorsports and Speedway Corporation each acquired minority shares in the facility, owned by Carrie DeWitt and the DeWitt family. What transpired was a major battle between Smith's Speedway Corporation and Penske Motorsport. Mayer observed it appeared Bruton Smith miscalculated in his dealings with the DeWitt family, choosing to make Speedway Corporation's offer to other family members, rather than directly to Mrs. DeWitt. Penske's group took their offer directly to her, and that is apparently what won the day.

"Jo DeWitt (Carrie DeWitt's daughter) saw Bruton's offer being made to a relative as being disrespectful to her," observed Mayer. "Bruton, I suspect, didn't think about it, since he most likely felt that he had already done her a great favor by dramatically improving her (Mrs. DeWitt's) financial position with a very generous offer for the DeWitt family's share of Atlanta Motor Speedway a few years earlier." It was a case of for the loss of a nail the battle was lost. Penske Motorsports now controlled Rockingham, and two valuable Cup dates, and almost in the shadow of Charlotte.

Another battle that was rather unpleasant, and one which signaled the demise of the small-market short track, at least on the Winston Cup circuit, was over the North Wilkesboro (N.C.) Speedway. Speedway Corporation and the Bahre family (of New Hampshire International Speedway fame) each bought half of North Wilkesboro. By closing the track, each got a prize - another Winston Cup date. Smith and Speedway Corporation got the date they needed for Texas Motor Speedway, and Bahres got another Cup date for their track at Loudon, New Hampshire. North Wilkesboro faded into Winston Cup legend, leaving only Bristol, Richmond and Martinsville as the only "short tracks" (less than a mile) on the schedule. Speedway Corporation has shown, with the aggressive expansion of seating at Bristol how a short track will not only survive, but prosper. The same recipe is being followed at Richmond, where the Sawyer family not only reconfigured the track at the Virginia State Fairgrounds, it keeps building new grandstands, and selling them out. Martinsville has also kept adding seats to its facility, and upgrading other parts of the race plant.

If you are seeing a pattern emerging of Smith's Speedway Corporation against the "world" (namely Penske Motorsport and the International Speedway Corporation), you are correct. When you start to line up the players and the alliances, it does present an interesting scenario. The International SpeedwayCorporation owns Daytona, Talladega, Darlington, Phoenix and Watkins Glen (eight Winston Cup dates), and the new 1.5-mile Kansas City facility (ready by 2000 - any bets on whether that track gets a Cup date?). Penske Motorsports owns Michigan, Fontana and Rockingham (five Winston Cup dates). Speedway Corporation owns Charlotte, Atlanta, Ft. Worth, Bristol, Sears Point (eight Cup dates). A little known fact is that the International Speedway Corporation has a minority position in Penske Motorsport. So, guess where Penske's allegiance may fall if push comes to shove? If you are Speedway Corporation, you almost have to count the Penske support going to the International Speedway Corporation, especially after the Rockingham tussle.

According to Mayer, it grows even more convoluted. When Ralph Sanchez was building the race track at Homestead, Florida, he needed some added capital support. Where did the support come from? Penske and ISC, in the form of majority ownership. So, Metro-Dade Motorsports Park joins Pook's GPALB with the ISC and Penske Motorsports in partner positions, and both tracks have Busch and Craftsman Truck dates. Each track eventually wants a Cup date.

And there are several other players in the brew as well. In New Hampshire, the Bahres now have two Cup races and a Busch date. The new Pike's Peak facility in Colorado Springs has great promise, and has secured Busch Grand National and IRL events. Carl Haas now controls the Milwaukee Mile and has been refurbishing it, now with a Busch race in addition to the CART event and is also the co-promoter of the new CART race in Houston. There could be alliances between these "independent" track owners as they struggle to get or maintain premier series race dates.

It appears that the Busch Grand National and the Craftsman Truck series may be very important to these race tracks, plus the IRL or CART events which can be scheduled at these tracks.

Why? Because of the simple phrase, "Return on investment". One of the things that must be remembered about a company that is publicly-held is that the first responsibility is to the stockholders. That responsibility is measured in quarterly stockholder dividends - the better the dividends (return on investment), the better they like you, and the more money they are willing to supply. This also means the stock will be more valuable to others if you, as a stockholder, decide to sell some (or all) of your holdings. So, getting other dates at the track that draw spectators (in addition to the premier Winston Cup dates) means a better chance to improve the stockholders' return.

A look at these publicly-held companies and the event dates they hold reveals an interesting picture. Of the 33 dates on the Winston Cup calendar, 23 are at publicly-held tracks, nearly 70 percent. On the Busch Grand National tour, 20 of 31 races are at publicly-held tracks (65%), while over a third of the Craftsman Truck Series events are held at these facilities (or at facilities where a publicly-held company has an ownership position).

Another interesting fact is the number of NASCAR event facilities which are hosting either CART or IRL races. All of the 11 IRL races (including the Indianapolis 500, of course) are held at ovals that host a NASCAR event (Winston Cup, Busch and/or trucks), and six of the 19 FedEx/CART Championship Series events are held at tracks that host NASCAR events. The leader in the cross-pollination of stock cars and open wheel racing is - who else - Speedway Corporation with four of the 11 IRL races - Charlotte, Atlanta and Texas (with two races). Of course, this doesn't account for other events, such as Bondo/Mar-Hyde ARCA races, USAC races and the like.

Another source of revenue to the tracks is testing - either private testing or tire testing, and there are more and more teams (of all types at the highest levels of motorsport) that are needing testing time. Some operations are even building testing teams to do only that - test - and the tracks charge quite handsomely for that track time. Moreover, some venues, at Speedway Motorsports' facilities in particular, are renting out tracks for car shows, concerts, and other uses.

Drag racing is also getting some attention. hen Speedway Corporation bought Sears Point International Raceway at Sonoma, California (north of San Francisco), they got a NHRA national event (Speedway Corporation also got the dragstrip at Bristol, but the fate of that facility is in question). Interestingly, the National Hot Rod Association (NHRA) itself holds a Busch Grand National date - the Kroger 200 race the night before the Brickyard 400 at the NHRA-owned Indianapolis Raceway Park. Heartland Park (Topeka, Kansas) holds a Craftsman Truck Series date, as well as an NHRA National event, and Chris Pook's GPALB hosts a pair of NHRA-sanctioned event at the Gateway (St. Louis) and Memphis facilities, in addition to the CART and Busch events.

Why drag racing? A dragstrip is relatively easy to construct and maintain. Additionally, they also have high usage during racing season with a Craftsman Tools-backed, nationwide

series for "weekend warrior" amateur E.T. bracket racers, plus the highly popular Junior Dragster series. Bracket racing can be lucrative and, if properly done, builds strong local support for a track's major events. Entry fees and spectator admissions help cover the overhead costs. (This same philosophy is behind the Legends races held at Charlotte during the summer months.)

What of the future?

"There is a downside to this (growth and public ownership)," observes Mayer. First of all, can these facilities continue to gain double-digit growth percentages that they have enjoyed for the past few years? I doubt it. There are just not enough dates to do it."

Perhaps the only other way to maintain that kind of growth is through merger and acquisition, but that too will only forestall the inevitable when this market, in drag racing terms, "begins to nose over", losing its rate of acceleration (growth). Mayer thinks that this may happen in the next three to five years.

Mayer sees the tracks realistically carrying mid- to high-single digit growth, assuming a continued strong economy. "I feel that won't meet the expectations of investors, who were drawn to the double-digit growth. It is likely they will leave, and the market will seek a more realistic level," he says.

Mayer feels the leveling off will occur after the next round of increases from Winston Cup television rights. After that next "bump" in revenues, the public companies will have only two main areas of improving the bottom line: becoming more efficient and raising ticket prices, and raising ticket prices will not be able to sustain double-digit growth.

A factor which will also impact these stocks could be the level of marketing support given to motorsports. Continued strong support of racing worldwide will probably help support the stocks of race tracks, here and abroad. But should something negative occur, say the forced departure of tobacco from the sport, the impact could be detrimental to stock values.

Now that you have had a look at the players in the "racing stock market."

Do you want to play?

Mayer observes that if you are really serious about playing the stock market in race tracks, you need to be a wise investor. He advises looking in the EDGAR archives for the filing documents for the corporation, and to follow any developments in the news about motorsports and specifically these tracks in the print media and on the Internet.

"If you want to play with your 'mad money,' follow your gut," he says, "Think about the people that are the principals in these track owner groups, and what they represent. Look at the company, and see what is right about it, then make your decision.

"If you are a 'pull 'em up by the bootstraps' kind of guy, a gunslinger, then Chris Pook and the GPALB is your kind of company. If you like a visionary, with a flair for the spectacular, then probably Bruton Smith and Humpy Wheeler at Speedway Corporation would be a good fit. If attention to the small details is your style, Penske Motorsports should fit you well. And finally, if you feel comfortable with tradition, probably the International Speedway Corporation is a good bet."

The mainstream of the stock brokers are not really informed about the motorsports companies, according to Mayer. He feels that there are handful of brokerages in the Nashville, Richmond and San Francisco that can speak with knowledge on the issue. Up to this point, he notes a sizable number of stockholders in these race track companies are the institutional investors (mutual funds, pensions, insurance companies, etc.). Interestingly enough, in contrast to the blue chip stocks, only 30 to 35 percent of the "Big Three" stocks (ISC, SPWY, TRK) are publicly-held. The remainder is held by the Frances, Penskes and Smiths of the world.

Will there be more public offerings made of racing related stock? The answer is "Yes."

The day after Christmas, 1997, Andrew Craig, the CEO of Championship Auto Racing Teams (CART) announced that there would be a public offering of 4.5 million shares of stock at some point in early 1998. And, the Formula One folks have been making very public noises in Europe about doing the same thing.

Mayer feels the CART decision is going to be interesting to watch unfold since it seems that if one of the teams decides to leave the organization, the stock conceivably could be sold on the open market, diluting the influence of the race team/stock holders.

Will race teams go public? Mayer doubts it. He points out that the relationships between sponsors and race teams are not businesslike enough. "Take a look at what happened to Darrell Waltrip last year," he says. "In August, during Darrell's 25th Anniversary Tour, Western Auto/Parts America announced that it would not be back with him in 1998. Since so much of a major race team's operating budget depends upon sponsor support, the magnitude of the revenue loss is devastating. If a team had the support of outside investors, this news would not be good for them (the stockholders)."

And, where does this leave the local short track owners?

Probably for the industrious, promotion-minded operators, they can develop ways to let this public ownership benefit them. In the face of televised coverage of races, successful track owners and promoters been able to build on the exposure from television. The publicly-traded motorsports companies may cause the local track operators to become better businessmen in their own right, which should strengthen their position with their bankers. Through developing better business management skills and investing in their track, they improve the entertainment venue (the track), making it more "customer-friendly" in terms of creature comforts and the on-track presentation, thus attracting more customers and sponsors. This must happen, because if the motorsports community loses the grassroots tracks and their paying customers, there will be no "Field of Dreams" to develop and nurture tomorrow's Jeff Gordons, Tony Stewarts, Kenny Irwins, etc.

If there is a shortcoming of these corporate track giants, it may seem to come at the expense of the grassroots. This is an area where everyone has a stake. We do need to improve the local track facilities in terms of safety and the spectator creature comforts. Without them, the giant speed palaces will not have tomorrow's heroes to re-supply the field when today's leave the arena.

What has putting these stocks on the public market done for racing?

A lot, according to Ron LeMasters, Jr., associate editor at National Speed Sport News. He says, "It has been good in a number of ways. I think that it has helped legitimize motorsports in many quarters. It has placed our sport as a pure business in the minds of many people who haven't considered us as such in the past.

"It is allowing the major facilities to improve and new major tracks to be built, benefiting the fans, the race teams and in the end, the investors. It has also improved television coverage. I think it has turbocharged the sport.

"Having said that, there are also some downsides. The most significant downside is the consolidation of a great number of racing dates (for the major racing series) in the hands of only a few (track owner groups)."

For Mayer, the future of the publicly-owned motorsports companies seems to be reasonably good. "I think that all of these companies are taking a much more professional attitude about how they manage themselves, internally as well as their public face.

"Bill France is learning to shift from complete control to becoming a functional leader. The rest of the family is taking on areas of operational responsibility," says Mayer. Bill France's brother Jim is president of the ISC. Bill's daughter, Lesa France Kennedy, is executive vice president of ISC and responsible for overall track management, son Brian is vice president of communications and marketing for NASCAR and sits on the ISC board, while Jim's son, Jamie, is in the marketing department of NASCAR. Additionally, there are other third and fourth generation France family members involved in ISC and NASCAR management.

Mayer also says, "Roger Penske is another who is beginning to pass on the mantle of leadership and responsibility. Roger's son, Greg, has not only assumed the general manager position at the California Speedway, but is also CEO of Penske Motorsports. Additionally, the rest of the management team is being strengthened."

Will racing (as a whole) be able to prosper in the future? It certainly is the topic which has the entire racing industry concerned. The greatest concern centers on rate of growth and the ability to sustain it. Certainly television propelled racing into living rooms of millions of Americans several times a weekend thanks to cable, VCRs and tape-delay broadcasts. With television has come sponsors, vying for a share of that demonstrably loyal motorsports fan's hard-earned dollar. Up goes the price of playing, and the teams, automakers and parts manufacturers come up with a way to make the cars faster, and since speed costs money...well, you can see where this equation goes.

At the same time, the kind of respectable market share motorsports has drawn on the television screens of America is the power source that seems to keep the motorsports money machine going. Everyone is looking to television and the sponsors to save the sport. Purses are going to go up, and the money for that is coming from one source - spectator ticket prices (and other related charges). Larger purses, more ticket revenues, increased naming rights fees, more seats begets more fans, times x percent increase in ticket prices equals - tada(!) - a larger quarterly dividend to the stockholder.

Many visionaries in today's racing scene (regardless of the form) see a need to slow the growth to let the market stabilize. The question is how? No one can seemingly control the players - the race teams, the automakers, tire companies or the parts manufacturers. Each has a burning desire to improve, to beat the competition, to increase market share, and the best yardstick is found in the winner's circle after a given race on Sunday afternoon.

When you add the factor of stockholder dividend checks to the mix, you may create a little problem. In the case of an institutional investor, say a pension fund manager in Hartford, he doesn't care whether a Chevy, Ford or Pontiac won the Daytona 500. He cares less whether Dale Earnhardt finally won after 20 tries, or if it was Jerry Nadeau. All he cares about is that when all was said and done, that his next quarterly dividend check from International Speedway Corporation was up 10 percent or better per share than the last one.

And, if the time comes when television ratings and spectator attendance growth begins to flatten out, or corporations using motorsports as a marketing tools begin to rethink their positions, then perhaps there will come that stabilization period by necessity, rather than design.

So, if you are thinking about racing on Wall Street, think about investing cautiously. Don't risk more than you can afford to lose, and make sure your financial firesuit, helmet, safety harnesses are in good working order. And just like the guys on the track, start in the Street Stock class - being a casual investor - because unless you really are an experienced investor, you aren't ready to go "Cup" racing on "The Street." ✖