

THE GOLD RUSH STORY

BY SHEREE ALLISON



HOW I ACHIEVED BIG RESULTS,
BY THINKING SMALL.

Introduction

For some nonprofit leaders, this story is going to be a difficult read. Not difficult because of the way it's written, but difficult because of the fundraising philosophies you've chosen to accept or reject.

*I can relate. I was exactly that
Executive Director at one time.*



Sheree Allison

If you're a nonprofit leader in Canada, you may have heard of Gold Rush 50/50. You may have even heard my name or seen me at various conferences. Immediately you might be thinking this story is about getting you to buy into the idea of gaming as a fundraising strategy. In fact, nothing could be further from the truth. There is a distinction between the Gold Rush 50/50 Project, and the story of Gold Rush. The former would be a barrage of details and technicalities. The latter has a much deeper message.

Within these words lies every answer you've ever hoped for or wanted about why your attempts to raise money have not worked, fallen flat, fizzled out, or otherwise failed. This project has taught me more about humans and human behavior than if I had pursued an undergraduate, a Master's and a Doctorate in psychology.

I am inviting you to let this story in. Let it show you something new about the experiences you've already had. Most of all, I invite you to let it ever so gently guide and direct you toward leadership from a new lens. Because that is what is required if you want unprecedented results for the mission you currently serve.

How It All Began

I was initially drawn to the idea of a 50/50 lottery for a couple of reasons. Probably the biggest reason is I wore two hats. I was the Executive Director and I was the Fundraiser. That dual role meant I saw everything as mission and money. They were never separate. I lived the mission so I always looked for the money. I honed my fundraising skills to raise the money because I knew so well what it could do for the mission.

My first introduction was watching a 50/50 project in another province. I fully admit I held back because of the fundraising philosophies I had accepted up to that point. But I watched it and thought - it's quite amazing. They were at \$10,000 a week. "I wonder how they do that every week," I said to myself. I watched it for two years on and off. Not once did I check it out or ask about it. I lived the "Do not introduce gaming if you truly believe in donors" fundraising philosophy. I stood by the belief that people should give to support a mission with nothing in return.

Lotteries really are the black sheep of the fundraising landscape. Read the books, hear the talks, and ask CFRE branded fundraising professionals. Lotteries are about luck, not good practice - nor are they donor centered. If you want a group to go quiet, mention lotteries for charities. There is something about saying you run a lottery to raise money that is akin to Rosa Parks getting on the bus. Riddled with judgment, bias and a dash of righteousness - putting a lottery into your fundraising mix takes courage. It's a bold step to have a lottery as the main plank on your organization's fundraising stage.

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Secretly, I had no aversion to lotteries. I saw the potential to raise funds from a whole swath of people who would probably never be donors. I looked out into my community, and there were some realities. It was a small community with an ever shrinking donor pool. There was a steep

decline in the economy and cost of living, and everyone's dollars were stretched. Definitely not a blueprint for major donors, increased annual giving, or sizable corporate donations.

Added to that, the organization I led lived a hand-to-mouth existence. We had just enough money to do the work, never any extra, and no idea what it was like to have more than 30 days of operating funds. The fundraising toolbox had all kinds of revenue streams from events to monthly donors, all created in-house. And yet there was a limit on what could be raised. There were only so many people, and all the usual charities and nonprofits were in the same fundraising pond. I could see the community was tapped out.

I knew that a new project was needed for two reasons.

First, it was needed to give the organization a powerful boost to explode its mission. Second, I wanted to give the community a chance to give while getting something in return.

That right there makes it a black sheep. To give to charity is to be altruistic. To give without gain or expectation is to be charitable. Somewhere along the path, the government began offering a tax incentive (charitable donation receipt). When you give to charity, you get a tax receipt. And therein lies the benefit. You get a percentage of your donation back at tax time. In all my years, I have never had a donor say, "Oh no, I don't want a tax receipt for my donation".

So maybe we've always accepted that people need to receive in order to give. That's okay. Charitable lotteries do it in terms of giving people a chance to win something. In that sense, perhaps lotteries are not the black sheep. Perhaps they are just the grey sheep. What we do know is that humans like to benefit, and more importantly, humans like to win.

So for two years, I watched before I made a move. Then in February of 2012, I thought, “I’m going to go make a visit”. I walked in a skeptic and walked out converted to, “This has a place in the fundraising landscape”. I visited two different sites where a 50/50 lottery was happening. What I saw at the time? The project was cumbersome. They had been doing it for quite some time, but had not refined any of the procedures or practices that made it possible to have explosive growth.

I drove home thinking, “It’s fairly basic, and they’ve not really looked for ways to make it efficient”. Walking in, I was looking for three things - a nominal entry point (\$2.00), a project that could be run in-house, and a win-win for our organization and the community. By bringing those three things together, I set out to anchor Gold Rush 50/50 as a long term solution for an organization that did incredible work on a shoestring budget.

Luck of the Draw

The Board supported it despite thinking it was crazy and ridiculous.

Within 3 weeks, I had a local carpenter make a box. That was my demo. I had a message, an idea, and a wooden box in my hand that, when I told you about it, you’d probably think, “Okay. Not only is the idea a little wild, but look at that box. And she thinks people are going to walk up and put a toonie in? Wow.”

I visited half of the Board one-to-one and said, “I have this idea and I have this box, and I want to present this at the next Board meeting and see if this has a future”. The Board supported it despite thinking it was crazy and ridiculous.

They approved it with what I call The Smirk. It was something along the lines of, “You are so committed that you think something this simple and silly is going to work, but we support you, and you give that a try”. It was a tone which clearly communicated they didn’t believe in the project, but they believed in the Executive Director (me), so “let’s see what happens”.

Truthfully, it would've been easy to get upset about or triggered by how dismissive the response was.

The project began in May 2012, and my initial goal was to raise \$500 for the first draw. The need for \$500 was strictly cash flow. We had a number of spokes in the fundraising wheel at the time, but we needed something with a more regular income stream, and we didn't have it. So I thought Gold Rush 50/50 could break the cycle of famine. With \$500 cash every week, we would get \$25,000 a year. That was the one and only goal.

There were simple but important things I needed to consider like when to do the draw, mostly because our community has to deal with harsh winter conditions that could so easily derail or delay many different aspects of the project. I also had to consider the actual draw date - like steering clear of Mondays due to recurring national holidays. I ultimately settled on Tuesday at 4:00pm as the deadline to play, with the draw date landing on Wednesday at 11:00am. The winners would have two days before end of week to collect their prize.

We had two marketing strategies that were consistent right out of the gate. We announced the winner on the radio by calling in right after the draw, and we published the winner's name, Gold Rush number, and the prize amount in the weekly local newspaper. We relied on people hearing it on the radio and then spreading it through word of mouth. We also announced it in our e-newsletter. Inside our building, we talked about it every day, mobilizing people from the community in every way we could to get them onboard.

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For the first draw, we opened with \$595. It was only six months later - on October 24th of that same year - that Gold Rush 50/50 hit \$10,000. \$5000 for the organization and \$5000 for the winner. It was then when I knew

it had huge potential. The community that played Gold Rush initially was playing not only because they got the concept, but also because they were already supporting us in our other ventures. They knew our cause, and they knew we were into creative and well done projects and events. Trust was already there.

It was the questions that came in during the first year of the project that drove the development of the project. “What about if X happens? Or if Y happens?” An example was the ability to recycle a number. If we had started with number one and kept going, we’d have 30,000 active players, but we’d also have numbers like 79,000 in the draw. Luckily we had the foresight to control the numbers in the draw from the beginning so that didn’t happen. We also created choices when players opted not to play. A player could cancel a number with written permission. And if a number hadn’t been played in 52 weeks, we reserved the right to reissue that number to another player.

All kinds of circumstances popped up during the first year, and every day that went by was determining how to handle them.

That first year, I saw the numbers and I heard the buzz. It was really hard to believe. We were 8 months into it and realizing, “Whoa, we’ve got to get systems in place REAL FAST”. We were racing to keep up with the interest while we shook our heads and said, “This is really crazy”. We didn’t think about what it might do to other fundraisers in our community, or if it was long term, or where it was going. We had zero interest from other organizations. They figured it was a one year wonder. 6 months in and \$5000 per week was the trigger that told us this is hot, and it wasn’t stopping.

Where It Went

A lottery license lasts for one year. Every year, you send in your performance, your results, all your prizes, and what the money was used for. The lottery commission reviews that data and re-licenses for one year.

As of this writing, Gold Rush 50/50 has been in existence for 93 months. The subtotal of revenue in the Gold Rush 50/50 Project since May 2012 is \$21.4 million with \$10.7 million going to the organization and \$10.7 million going out in prizes to a community of 18,000 people.

The size of the population is an interesting piece in this story. There are more small communities peppered across North America than we realize.

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When you look at nonprofits and charities, 80% of them have budgets under \$400,000. There's volume out there in all those small shops - all doing good work for the cause they are set up to work on. But they don't have the number of people in their communities with deep pockets that can make annual donations.

They are never going to do amazing work unless there is a revenue source. There can only be so many golf tournaments, dinners, and marathons in a community of under 25,000. I looked at that in my own community

and thought, "We can't get bigger because the money is not here". What this project did is make donating in a small community achievable.

A question that comes up frequently is - who plays Gold Rush? Eventually it came to include everyone. The first two years were people from the community who thought, "Oh, that's kinda fun". Most of them were supporters already. They liked the cause so they played. Over time it attracted the attention of new people. In terms of age, anyone from 18 to 98 play Gold Rush. Today in our community, it's very much like obtaining a drivers license. People come in and say, "I'm 18 now, I can play Gold Rush". It's a rite of passage in our community.

Fairly early on, we marveled at the human behavior that circles the project. It is a fact that people in our community go to bed on Tuesday night hoping to win Gold Rush. An example is a federal government office with

maybe 100 people. There's one unit there with 14 women who work in one department. On Wednesday morning in preparation for the draw, they all dress for their photo for Gold Rush. They've been doing it for years. We've had two winners from that office so far in 7 years. And they are among hundreds of community members who "prepare" for the possibility of winning.

Another interesting piece relates to the radio call-in we do after the draw on Wednesday. Everyone knows the draw happens at 11:00am. By 11:20am, they know we should have the results. The intention is to announce it on the radio somewhere around

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11:30am. However, there are all kinds of little things happening that occasionally cause a delay. If it goes much beyond 11:30am and it's not on the radio, the community starts to assume there's a rollover. A rollover means a number is drawn during a week that a particular player didn't play their number. It causes the prize money from that week to "rollover" to the next week, effectively doubling the next week's prize winnings. The community has their little guideposts as to the 11:00 am hour and when things happen; if the Gold Rush winner announcement is delayed, they start concluding. It goes to show that once people are trained with an expectation and it doesn't happen, they create their own answer.

I've watched certain professions that never showed up in the organization before - people like doctors, lawyers and politicians - signing up for Gold Rush numbers.

These are the kinds of professions that rarely pay attention to any of the gimmicks that go on in a community. In that way, Gold Rush is like smoke. It permeates everything in this small community. Whenever new people

move into the community, they buy a house and get a Gold Rush number. When people leave the community, their worry is - can I still play Gold Rush? To this day, it boggles the mind.

The Source Of Growth

The project had humble beginnings. Initially it was volunteer led. We had a handful of senior women volunteers who did the collection, the dots and the sheets at a little kitchen table. It was one full year before we had dedicated staff. In week 52, revenue from Gold Rush had reached

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\$16,000 per week consistently. It was then that we knew the project was indeed a table that required sturdy legs underneath it. We hired a lead staff and compiled an in-house database to manage the fairly basic but important questions we were getting from our players. “What’s my Gold Rush number? When does my prepaid run out? How many numbers do we have? Can I change my name?” This was one of the biggest initiatives in the second year so we had structures in place to reinforce the revenue stream that was coming in.

It was no surprise the success of Gold Rush got noticed by the gaming commission. Their number one question was - how is this even possible?

We got numerous site visits from the gaming commission during the second year. They wanted to know how things worked in the back room to verify controls. To date, they’d never seen gaming to the scale of Gold Rush anywhere else. We needed space, security systems, a really strong

safe, and all the things any good business would have once significant money is involved. The project was still run mostly by volunteers, and it was then that we began assembling a dedicated Gold Rush staff.

Built for the long run, the dropout rate for Gold Rush is extremely low.

Less than 1% stop playing Gold Rush, which is an incredible number given the most rampant, enduring challenge in fundraising is hanging on to donors. The typical donor gives once and never again. The stats are staggering on how donors disappear. The numbers are available in any credible fundraising journal, and they haven't changed much in years.

There is a cost to run Gold Rush. Right off the bat, 50% of the weekly take is paid out to winners. The other 50% goes to the organization. 7% of that goes toward operating the project, and the rest goes directly to the mission. For those who still don't understand, zero-cost fundraising is a fallacy. When you choose not to invest, you choose not to be sustainable. Are you still looking for a one-shot wonder? An overnight success that causes money to pour in the door? Wake up. It doesn't exist.

Can't Stop Won't Stop

Very early on, we realized Gold Rush was here to stay for two reasons. First, the organization wanted this kind of revenue to explode the mission. Second, it was very clear the community and the participants wanted it because they loved playing the game. So we had two advocates - internal and external - and they were aligned. We knew this was our foundation.

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The work then became keeping pace with the growth, and that meant changing the system and tweaking a few things, but staying with the core processes.

What I know for sure is the project looks daunting to an organization that is wishful and would like to have it. It looks daunting because there are so many little moving parts, and they must be done every week. Because of that, many organizations think, “No, that would be just too much work”.

To justify that choice, they go to the altar of knowledge - it's not pure fundraising, it's not donor relations, it's not major gifts, and it's not really ethical. So they swaddle themselves in that kind of talk and say, “Oh no, we would never do a 50/50 lottery”. My first answer to that is - yes, it is a lot of work. But anything that has great results is a lot of work. And if you continue to tap sources like government grants and United Way grants, your mission will bump up against their mandate. And you might get some money. This way, you get a lot more control of the mission and its destiny.

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“
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Despite their reservations about the project, there are 7 other organizations in this community that have endeavored to do it. They've had a model to follow (Gold Rush) if they wanted it. To date, they've reached anywhere between \$500 per week and \$2600 per week. One of them has been at it for four years. The Gold Rush box is sitting there. The model is there. Everything on the box was purchased from an office supply store so it's not like it's hidden jewels.

Any organization kicking off this project thinks, “There has to be an easier way to get that much money”. So they look at the end goal and say, “That's a big bucket of money, but I'm sure I can build a better mousetrap. I'm sure I can do it much easier without all those toonies and stickers and boxes”. I've

said right from day one to everyone about Gold Rush 50/50 - consistency is its heartbeat. Don't mess with humans when they get into a routine. Especially when it works for them and it works for you. It's all about the effort. Sometimes it shows up as attention to detail, and it always shows up as consistency. That's the effort it takes. The human thinks, "I can get a purple box and I can raise \$30,000". Trouble is, you forgot the other 17 steps that take weekly commitment.

You want shortcuts with the same result, and what you get are shortcuts with short results.

When I speak to the core processes and consistency, I am referring to something as simple as the dots used for the draw. From day one, week one and year one, we searched for the dot that was going to stick easily and come off easily. It needed to stick easily to a coin, and it needed to come off easily so it could go on a tracking sheet. This was our verification that a player had played that week. Once we discovered a dot that worked, we stayed with the same dot. We were very deliberate in that we were not looking for a cheaper product, nor were we looking to change suppliers. We always honor what works.

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The Gold Rush 50/50 Project collects toonies from 20 wooden boxes on Friday, Monday and Tuesday. The Gold Rush 50/50 draw is on Wednesday at 11:00am. On Tuesday at the last collection, the top of the box reads, "You are now playing for..." and it's one week out for the next draw. On Wednesday - the draw is at 11:00am, the radio is at 11:20am, and the vehicle leaves the office with 20 pieces of paper for all the Gold Rush Box tops - always the same size and the same color ink. Those pieces of paper list the draw results with the date of the draw, the winning Gold Rush number, the name of the winner, the prize awarded, and the next draw date which is one week later on Wednesday.

Those 20 pieces of paper are delivered to 20 locations
before 2:00 pm every Wednesday. Every week.
Snowstorm or not. Holiday or not.

The piece of paper is 3x2 and sits on top of the box. Screwed to the top of the box is a name badge holder. The driver slips the card in and takes out the old one. So you know when you step up to the Gold Rush 50/50 box, you see the most current information. If you go there Tuesday after 4:00pm (the last pickup for the draw on Wednesday) and before Wednesday at 2:00pm, the sign merely reads, “You are now playing for...” and the draw date. So you have no confusion about if it’s for tomorrow’s draw or next week’s draw.

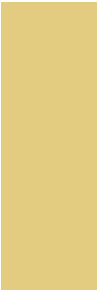
We set all that up from week one, and it’s that level of detail that builds confidence, loyalty, and trust. We did it to build the project. If we stopped doing it like this, it says we no longer care about the person who plays, nor do we care about letting them know who won for the week. It says we just care that the draw was held, we got our money, and too bad about you. “You don’t need to know. There was a winner, don’t ask.”

My point? When I look at the other 7 boxes on the counter where the Gold Rush 50/50 box sits, I’m always surprised. I have to study the box of a competitor to see who the winner was. They stick it on the side or on the bottom. They’ll use a post it note and tape it on. It might be on red paper. It might be on yellow paper. But humans are humans, and they decide to switch things up for convenience. Others who have attempted this project changed the time of play because there was a snowstorm or a holiday weekend.

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The truth is that people get disgruntled. When you're late with any one of the announcements, or you decide you're not going to go out and update the top of all those boxes - you send a message that very simply says, "We don't care about you. We care about us." I saw this with another organization in another community. Their box didn't have any message on it about the winner. So I called them and said, "Hey, I saw your box at such and such corner store, but there's nothing on it. It says play but there's nothing on it that says who won this week." And the answer was, "No, we just put it on Facebook now". All those little decisions along the way indicate how much they don't get it. They missed the memo.

A Little Show N' Tell



After we nailed down and dialed in our processes, I started offering "backstage passes". It started in 2016, a time when curiosity about the project was huge. "How do they do that? After I drop my toonie in the box and walk away, how are they getting that all done by next Wednesday?"

How do they know that I played?" I was hearing those questions, and I thought that one way to share how it's done is to bring people in who either have a position, a role, or connections.

I strategically invited people to come in and walk through the entire setup, and I always had one of the people who worked in Gold Rush do it. It started very simply. Somebody in the media. Somebody on the police force.

And then we chose random people from the public, often spontaneously. "Would you like to come in and see how Gold Rush is done?" If they had a jacket on, it dropped to the floor. "YES! I'm ready!" It was comical and fun. I would tell Brenda - please take them through every step of Gold Rush and I'll join you at the end.

The backstage pass started from the Gold Rush box in the lobby, to the processes in the back room, to where the cards are filed, to how we handle and process prepaid Gold Rush, to the cabinet full of stickers.

They saw four years of file cabinets where if you wanted to pull someone's name, they had it at their fingertips. We pulled out the ballot drum. We showed them the safe where the money is housed. We showed them the camera system. They came out with their jaws on the floor. The prevailing sentiment was, "Wow, it's overwhelming, and a lot of work, and what an incredible setup!" Our hope has always been that when they're having coffee, talking to friends, or in a meeting where Gold Rush comes up in conversation, they'll say, "Well, this is what I experienced".

The one piece of "show n' tell" we've avoided is requests to see the official draw in person. It's still a question that comes up now. After 7 years, it is well known that the public is not able to watch the draw live. Because of logistics and timing and executing the processes around the draw, it does not work to have a gaggle of people hanging around waiting to see what number comes out. The draw doesn't lend itself to that. Early on, we made a very deliberate decision to have six people in the room.

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It's always a Board member who draws the ticket. There is a controlled group of people in the room to verify and witness, and to sign off that they saw the results. Because no one can see the draw live, the backstage pass has worked very well. And in Year 6, we uploaded a 7-minute "backstage pass" video.

It walks visitors through from the time a green card is filled out until a winner is drawn. It captures exactly how the project is executed.

A New Era Of Raising Money And Giving Money

There came a point when we knew Gold Rush 50/50 was our fundraising force in the organization. We knew this was the pipeline. That's when we moved away from the other traditional ways we raised money.

I had been saying for 5 years that it was time to retire Bowl for Kids, a fundraising initiative we'd been doing for over 20 years every February. Bowling was the signature fundraising plan of our national organization that each community was to do. I never understood what they deemed "signature" about bowling. I always thought it was bizarre that people in our community willingly showed up to wear a pair of worn out shoes and throw a ball down a lane every year. Beyond that, I knew there would come a day that our community would stop participating, or the bowling center would close. Evidence of that had been there for years. It was only a matter of time and the project was going to die. I knew it was coming.



In this community, Bowl for Kids made the most per capita in Canada - \$3.20 per person compared to the national average of \$1.20 per person. We'd mastered that campaign with an incentive plan and we had a high level of participation. It raised right around \$50,000 every year. As of February 2013, Gold Rush 50/50 was grossing \$16,000 per week. So the \$50,000 we expected to get from Bowl For Kids was replaced by that point. I moved it off the shelf immediately, and it was easy to do. I removed it before it removed itself.

Gold Rush afforded us the opportunity to look at all our fundraising projects through a new lens. It gave us the freedom to make immediate decisions - including putting Festival of Trees on the chopping block. Popular as it was at one time, we'd been running it for 15 years and the community had changed. The project had lost its shine. Rather than continue running it, we packaged it and gave it to another charity in our community. It still had potential, just no longer with us. And they were happy to run with it.

Despite shutting down every other fundraising project, people still have the opportunity to donate and receive a charitable receipt.

We have monthly donors, and we have people who give memorials at time of death or passing.

That doorway never closed. Everyone in the community knows how successful Gold Rush is, and we engage with our players and connect with them in a very meaningful and frequent way. Never once have we turned our backs and said, "Oh, that's just a Gold Rush player, they're addicted" - that whole swirl that people get caught up in. In fact, our subscriber rate to our e-newsletter is incredible. Our open rate is 47% and our

distribution is 21,000. That's a whole lot of people who have us in their inbox and open it. And we've embedded every communication with mission first, winners second. It's humbling to have so many people who know our organization and know what we do. We treat them like valued customers.

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With so much revenue pouring in, we had to have a parallel track of strong communications about what we were doing with the money. We had both an opportunity and a responsibility to turn it right back into the community

in projects we had never dreamed were possible. Up to that point, we were just trying to pay for lights and heat, and keep the place running to do programming. It was a big switch in our minds. By then, we were getting all kinds of random individual asks from the community. Someone needs soccer uniforms and cleats. Someone else wants us to sponsor a school trip to Mt Carlton on a 4-day expedition. So the questions that drove us were - what are the real needs in the community, and how do we filter them?

That's when I came up with the Mission Matrix. We put every idea we had and every request for money through a filter of 7 questions that told us whether or not it matched our mission.

It would've been easy to say yes to building a petting zoo or a little farm for kids to learn new skills. But I knew we needed to have goalposts as to what we were taking on so we were true to what we opened our doors for. As an example, sponsoring a local hockey team might seem to fit our mandate, but it's not tied to our core mission. So, every program and every ask was put through the Mission Matrix as a test of worthiness. This has been the practice ever since.

Gold Rush 50/50
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and that's why we
have a fund
called the
Opportunity Fund.*

If something is identified as a need and has value, and it matches our mission, we will consider it. Moving from not enough money to plenty of money gives us a stepping stone to do things we were never even thinking about. Probably the most important project we implemented reaches into all corners of the community and connects with all the youth of our community, and that is the school breakfast program.

Whether you realize it or not, every school struggles to get the breakfast food on the table in their school. In our community, every school was

on its own to raise the money for its breakfast program. So I thought - we want to reach every corner of our community that supports Gold Rush, and we want the target to be children and youth. I pitched the breakfast program to the Board, the idea being they will run the breakfast program, and we are merely the funder. It was a green light before I could even finish the pitch, and it is a resounding success in the community. We started with 10 schools, then grew it to 15, and now we're at 23. Everybody knows we sponsor it. We market that very well. We do in-person check presentations to the schools. We do lots of photos. We have signage in the schools. We claimed that program and it is well known.

The Four Stages Of Gold Rush

People love to tell the story of Gold Rush like it's a card trick. The easy story people like to tell is, "All these people in this community throw two dollars in a box, somebody gets half, and the charity gets the rest".

But the story is so much bigger than that, because it has changed the landscape of giving to a nonprofit organization.

How do you galvanize this many people to stay with a project for this long...weekly? That's a study in sociology. How does an organization handle going from extremely lean to ample money and investments? How does an organization with explosive growth maintain a focus on the mission and not just the money?

How I like to tell the story of Gold Rush is through the lens of four very distinct phases we lived through as an organization.

STAGE

1

Without a doubt, awe was Stage 1 of Gold Rush 50/50.

It was initially a project that had one supporter (me), and the odds of it succeeding were readily told to me. I fully believed in it, and the response

was laughter. For me, that was pure motivation. I thought, “Laugh it up. We’re going to get 500 people, and we’re going to capture attention in the very first week”. So to go from \$500 in Week 1 to \$10,000 in Week 25 is like what you do when you suddenly hear fireworks. “What is THAT?” was followed closely by “How did this happen?” Total awe lasted somewhere between 6 months and a year.

Even as organizers, we were as excited as the community was. It was positively euphoric! We’d had two decades of fundraising that was akin to looking for money in the desert. So it was nothing short of WOW.

STAGE 2

By mid year of Year 2, we settled into a routine... and that began Stage 2.

Fear. Inside the organization, the fear was quite simply, “How do we manage this?” It’s one thing to do a golf tournament, or a big campaign in October. Those have a beginning and an end, a buildup and a wind down. Gold Rush 50/50 was different. It had an every Wednesday wide open throttle that required us to deliver.

Once we did that, the engine started all over again because there was another draw coming, and it was 6 days away. It was pure angst. How do we keep up with this? The model of most organizations raising money is not only cyclical, but periodic or seasonal.

The most intense period is the last 100 days of the year. Otherwise it’s a campaign with a start and end date, after which you can theoretically sit in a Lazy Boy with your feet up. Gold Rush 50/50 is a thing where you put a battery in it and turn it on, and there is no off switch. Hence the fear.

We also knew the risk of having this amount of money in a small shop that was being handled, processed, counted, and then taken to the bank. We asked ourselves - what is the risk on the inside to the kids that are here, and to the staff and volunteers who are here doing Gold Rush? Do we need to be afraid of what might come through the door? We live in an unpredictable society, and that was a silent fear inside the organization.

How fear showed up outside the organization was mostly things like, “How am I sure my number showed up in the draw? How am I sure they’re doing that draw right? The numbers are really big and my number is only 3 digits, I’m not even sure how they track those numbers.” Fear showed up in little quirks from humans that started to question little things.

STAGE 3

Then came Stage 3. Envy.

Mostly it showed up with other organizations that were trying to fundraise. To them, Gold Rush 50/50 looked easy and slick. For an organization (ours) that always did well and did things the best it could despite the ongoing struggle, we suddenly looked golden. Many felt it was a machine. Others felt it was a mountain that cast a shadow. The envy showed up from people wishing they had that kind of success, and that’s all they did was wish. They didn’t dig deep and say, “Where am I in this?” We had offers from a few organizations to partner during the envy stage. “We’ll put our name on the boxes and help you,” they said. I liken it to many young adult children. Instead of putting two feet on the ground and putting one foot in front of the other, they use the Bank of Mom and Dad. Who doesn’t want a free ride in a Lexus?

Coupled with envy were all the demands. “We think you should fund this, and we think you should fund that. You’ve got so much money. That kid needs it and you should provide it.” Truthfully, there were moments when it felt like we were the government. We were expected to be everything to everyone. I thought - that’s what is wrong in our democracy, and that’s what is wrong with our economy. It’s easier to ask than to do. The demands we got were random. If someone had a need and didn’t know how they were gonna meet it? “Call the Boys & Girls Club. They have money.”

We’ve had to be deliberate in not doing Facebook Live coverage of the draw. This is a demand that never goes away, and one that wasn’t there during the first three years because Facebook didn’t have that feature. Once it did, there was an immediate demand and a continuous lobby to do a live draw.

When we said no, the conversation turned to, “Well, if they won’t make it live, there must be something sketchy. What are they hiding?” It was a perpetual rant and it still shows up from time to time.

That said, we made a very deliberate decision not to do the draw on Facebook Live, and it is due to the number of processes we go through once a number is drawn. We have to validate if there was a winner, or is there a rollover? There are so many little steps that happen. It’s not just an act of drawing a number. The draw is always videotaped and archived.

Still, our decision to refrain from using Facebook Live has numerous critics, and it comes back to a simple issue of trust. If we lay down all our processes, all our procedures, and you still don’t trust it? Maybe this is not the game for you. It’s very much like when you go to the lab to get your blood drawn. Do you trust that person to put your ID on your vial of blood? Trust has to enter in at a certain point when you participate and you’ve experienced the processes. My position has always been that if you don’t trust it, don’t play Gold Rush.

STAGE 4

Entitlement was Stage 4 of the Gold Rush project, and it came from outside the organization.

As soon as a request for support was denied, the retort would be, “Well, I play Gold Rush”. And I would say, “Yes. You give \$1.00 per week to the mission. The other \$1.00 you give goes out to a prize in the neighborhood”. The prevailing sentiment and language was along the lines of, “This is important, and you should pay attention to this because I play Gold Rush”. Right. And playing Gold Rush does not entitle you to dictate how the money is used. If you want to dictate how money is used, keep your money.

Whether you invest a little or a lot, ownership ends once it leaves your pocket. To date, entitlement has not shown up inside the organization. Instead, we talk about what we’re doing today, and what we’re building for tomorrow. We’re not dreaming about the money. We’re dreaming about what the need is, and we have the money to make it happen.

It was never imagined,
and now it's our reality.

Despite all those experiences throughout the 7 year run of Gold Rush 50/50, I want to note the prevailing experience, which is gratitude. We hear from 1% of players who are unhappy, disgruntled

or complaining. The other 99% are grateful for Gold Rush. Grateful the organization arrived after years and years of keeping a finger on the pulse to keep the place going, and never wavering from doing whatever it took to succeed. They saw that, and they are grateful we now are in a position that historically we never were. It was never imagined, and now it's our reality. That gets expressed to us all the time. They are also grateful for what it's done for the community. The money that moves through the community through this project shows up in households everywhere. We've heard of young adults who paid off student loans. We've heard of people who put a down payment on a house for the first time. Life changing moments when they got the call that they won Gold Rush.

There are thousands of people who are grateful for Gold Rush,
and they own it in the community.

The other thing that shows up is that this project has its own brand and its own language. The people involved with the organization have an identity. You can be reaching for lettuce or milk at the grocery store, and you'll be tapped on the shoulder by someone asking, "Who won?" Or you can be stopped while pumping gas and they'll say, "Oh, Joe won this week, and what a great thing". So it's everywhere, and it spreads like smoke. Once we have a winner, we do our mechanisms to tell people who won. But word of mouth travels, and it's just incredible.

The Price Tag Of Expansion

As Gold Rush continued to grow, we had new members joining the Board and new staff joining the organization. Our situation was suddenly unique, because all of them were arriving with the sense that, "Wow, this

organization is wealthy”. So then I realized it was time to talk about what money means. Suddenly we had a great Board to be on and a great place to work. The truth is, it had always been that. But money changed how people saw it when they got inside. Money changed the perception.

So we had to be doubly diligent about the people who came onto the Board during the era of significant success. The process of enrolling them was always important, but never as important as it was during this time. It’s easy to be on a Board when there’s money, and tough to be on a Board when there’s none. We had to ask the questions, “What are the needs of the organization now, and what do they bring to the table, and do they have any agendas that would be prone to being lobbied?” That was a new conversation for us, and it was essential.

We had a few offers to join the Board from people who had never donated, had never given time, and probably had never noticed our sign. They showed up saying things like, “I’m really interested in what you people do”. This kind of inquiry is true of human beings everywhere if you look. Anyone who is perceived to be doing really well, and to have accumulated some wealth - whether it’s measured by the number of garage doors or the number of boats - all of a sudden, certain human beings want to be with that crew. They want in on that party. Certain humans behave like that whenever they see something shiny. That is precisely what we were faced with. We needed the right people who were going to guide the organization from a governance perspective. We wanted people who were astute and mindful, and who looked at things through the lens of the mission vs. the lens of money.

We needed the right people who were going to guide the organization from a governance perspective.

Another important point - when a project like this is successful, the Board must be a mix of new and historical. If all the members of the Board are only from the last one or two years, you don’t have the memory bank. The members of the Board who were there before Gold Rush - or in the early

days of a hugely successful project - can speak to the humble beginnings and the struggle. Not in a whine and a “remember when” in a rocking chair way, but in a “this was the reality, and it is because of that reality we are here today, and therefore we must be diligent in how this money is used” way. Whereas if everyone is new, they arrive at the door, Gold Rush is hugely successful, the money is in the bank - the diligence and the care in the conversation is not the same, because they were not there in the days of heavy lifting.

It's easier to spend money when it's in the bank than to look at the money in the bank and know how it got there. And that is why Boards should always be a mix of new and experienced - and even more so when the organization is in a position of being solid financially.

New people can bring less care to decisions if they don't have the lens of what it took to get it. It's easy to be blinded by success, and start to assume it'll always be like this. There are two kinds of Boards - one where everyone has been there too long, and one where everyone has been there not long enough. We need the middle ground. We need long serving Board equity and we need new people for freshness, questioning and new ideas.

We also realized that with the profile and success of the project that, even with our best vetting and our best Board development recruitment, we could end up with a Board member who joined with all the right intentions - and they could be tapped by someone in their circle who wanted to access funds they were either turned down for, or they wanted someone on the inside to lobby for them.

I vividly remember sitting with the Board Chair and saying, “This is coming really soon. We need to craft a policy everyone signs that says - I represent the Board and the interests of this organization, not my own and not anyone else's. And I will not be lobbied to access funds for anything other than the purpose of the mission which is Board approved”. The language is fairly strong, and so necessary.

I always say when anyone joined the Board, being coerced or lobbied was not their intent. But after two years, their buddy Jack could realize they're on the Board. Minor hockey needs XYZ, and they're the gateway. And he will lobby them however he sees fit. And they will come to their seat at the table and put in the ask, or they will lobby other members. So at Board Orientation, Board members sign this policy. We revisit it once a year as a whole Board. We want to ensure that it doesn't matter how much money the organization has, we do not drift from the mission. We do not start investing in apple orchards or a ski club or something that is outside our mission. Keep in mind, this is Board directed. So if the whole Board isn't there for the mission, we can quickly sail away from the intended purpose.

It's no surprise that successful programs and a successful mission combined with being able to raise a lot of money puts an organization on the radar for people who are looking for work. In that way, we became a viable option. Prior to the success of Gold Rush, it was no doubt seen as an employer that was struggling, one that lurched from one fundraiser to another. We didn't have benefits, and when you work here, you have to work really hard. Before Gold Rush, we would not have been an employer of choice.


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of choice.**

However, Gold Rush came to fruition at the exact same time as the shortage of employable people across the world started to become a reality. Scarcity of people to employ is the norm, and even though we are now successful and we can now offer more, we are competing with every other shop, government agency and business. And that's worldwide. It's a staff person's job market, not an employer's job market. Our target group for employees is ages 18 to 30 because that is the primary target of our mission. It's a very mobile decade. Employees in this age group are usually short term because it's a stepping stone to some other career, or they're trying something else. It's a time when people are not looking for jobs for life.

In terms of staff, we had a core staff that were still here from the beginning pre-Gold Rush, so we had continuous conversations about how to live with our new resources. I reiterated that it was still important to keep the heat low, still important to turn lights off, still important to not be wasteful, and still important to shop from a list. The core staff knew all that because that's how we always lived.

Suddenly though, a staff who was new to the organization saw the money pouring in every week. No doubt they were less inclined to handle our resources with care. When you inherit money, when you are given money that you have not earned, or when you work for the government - money is somewhat of an endless bucket. It's easy to have no consciousness around it. The tap is always running. So there was always a mindset and a way of working in the world that we wanted to be who we always were, which is conscious that everything in life is limited. So that was a new conversation that we had to introduce people to and perpetuate.

A Foundation For The Future



It was in Year 3 that I knew we not only had the wherewithal to secure a future for the organization, we also had a responsibility to do it. By then, we were a sustaining presence in the lives of youth and children in our community. We were living out our mission in a way we never had before. Programs were developed and grown. Plans and projects implemented in every corner of our community.

Nobody knew when or if Gold Rush 50/50 would ever stop, but we knew for sure that we needed to take full advantage of its growth on behalf of the mission. We had one of two ways we could go. Either we could become a granting agency and give to other good causes, or we could acknowledge that we'd been in this game for 25 or 30 years, all of which were lean. We had been mostly in survival mode like most nonprofits.

It wasn't hard to make the decision to protect the future of the mission. Inside that commitment, we created a charitable foundation in 2014. It took a year to pull it all together. The charitable foundation we established is another registered charity, and it is now the fundraising arm of our organization. It holds the money and invests it for future use. The current Board is committed to having an investment portfolio of 10 million for future needs, especially if or when the Gold Rush 50/50 Project is no longer. In that event, the foundation is intended to provide a bridge until the organization reinvents whatever the next funding project would be. Within three years of establishing the charitable foundation, 1500 days of operating budget had already been secured.

Reflections On Leadership

I daresay most Executive Directors would not have scaled this project to the level where it is today. They would've gotten it to a certain point - a random number in their head like \$5000, or maybe \$10,000 a week. At that point they would say, "That's good enough". They wouldn't even consider the mission of their organization.

Instead of having three programs, there could be 17. But no. They would sit back in their chair and relax, because the other side of the street takes double the effort.

They wouldn't even consider the mission of their organization.

A typical Executive Director along with every staff member in their organization would simply stick to their knitting. "Isn't this great? We get \$3000 a week. This is amazing. And we're doing

these things over here. Isn't this wonderful? And we don't need any more customers or players or supporters. We'll just talk to the ones we have and be grateful. It's quite a nice little club we have going here. We're below the radar so nobody's pounding down our door. We're not getting 500 calls a week. We're not getting 800 emails from people who want to play Gold Rush." What a nice little fairy tale. What they're not saying is, "We're avoiding difficulty, decisions and any discomfort."

So how would a typical Executive Director stop the growth?

Two strategies come to mind.

First, they would stop trying to reach new customers by discontinuing hitting all the marketing channels they started with. “We want to control this” - and they do it by capping their numbers. Even the organization I learned the 50/50 lottery from capped their numbers. If you go into that community and you want a number, you can’t get one. You can only get one when somebody stops playing. How to stunt growth is by capping the numbers, not allowing pre-pays, and not allowing rollovers from week to week. The project is labor intensive, and they only want to put in so much effort for a certain amount of return.

The second strategy is a brisk exit from the organization. Put simply, the Executive Director that implemented the strategy would see the fireworks and excitement in the first two years and think, “I’m gonna go now”. They would create it, but they would leave before they built it. The nonprofit sector is infamous for massive turnover. It’s a sector where people either stay stuck, or they try something and move on. After two years or so, they would think (but never say out loud), “This is a runaway train I’m on. I think I’ll jump now because what it’s going to require I am not prepared to give”.

Remember, an Executive Director reports to a Board. A Board that is full of people with all sorts of expertise. If those people are not the best you can possibly have on the Board, there will be a lot of naysayers, resistance, and “no”. They would have to get their head to another level in order to survive that. It’s a lot easier to leave.

Whether the typical Executive Director realizes it or not, limiting the growth of a fundraiser, a project, or a program is exclusionary. It begs the question - why would an Executive Director build anything with exclusion at the heart of it? “Let’s make sure not everyone can have this or do this.” And that is precisely how so many nonprofits feel to the community.

They've made it impossible for anyone to feel like their contribution matters. A person wants to give \$5.00 because that's what they can afford to give. But the organization wants \$500 or more. It's what they promote, it's all they talk about, and it's all they'll acknowledge. Year in and year out, they're on their knees begging, and it's because of how they think.

As the driving force behind Gold Rush 50/50 - it has been said to me by so many Board members, "You come along once in a lifetime. What

you've created, what you've lived, and what you've built is unique to this organization and this community". In reality, I was clear from day one. I am clear on every step, every process, and every policy such that when I lay them down, they're bulletproof. When I do something, I want it to have a 25 year lifespan. Every step and every practice is laid down with that in mind.

The next person who has their hands on this project will create their version of it. It will likely be different than mine, but they will have the blueprint. Time will tell if they have the drive, the insight, and the patience to see it all the way through. That is something I have no control over.

The blueprint is there for anyone to pick up and use, but intrinsically it's going to come from within them. If the Board finds that person and hires them, the project will be

bigger than ever. if they find a person who doesn't have that, it'll wither. My purpose here has been fulfilled, and my heart is filled with joy and appreciation that my legacy will remain long after I leave the stage.

“
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