Can charity begin online?

A local start-up is betting on it.

Former Adobe executive Melissa Dyrdahl has teamed up with another ex-Adobe colleague, former director of corporate product management Drew McManus, to launch Bring Light, a Cupertino-based Web site designed to encourage online donations to non-profit groups.

Besides showcasing an array of charities that don't have big marketing budgets, the site, www.bringlight.com, also aims to attract donors in their 20s and 30s. The importance of young philanthropists is expected to grow as current donors age.

"There is a whole category of younger donors who are really hard for non-profits to reach right now," said the 50-year-old Dyrdahl.

"Hopefully, this is a way to bring those younger donors together, because they're so used to living their lives online and having everything about their lives be some form of social networking."

Bring Light will be unveiled Wednesday at the NetSquared conference at Cisco Systems, where representatives from the corporate and philanthropy worlds will discuss how non-profits can more effectively use technology to help their operations.

Non-profits already working with Bring Light include Grail Family Services in San Jose, which sponsors an early literacy program for preschoolers; Ronald McDonald House at Stanford University, which houses and supports children receiving treatment for life-threatening illnesses and their families; and the San Jose Museum of Art, where Dyrdahl was a former trustee.

On Bring Light's Web site, approved charities describe specific fundraising needs. Donations can be made by credit card, or donors can establish a "giving account." Donors also can form or join "giving groups" to multiply the impact of their contributions.

All donations are immediately deposited to the Bring Light Giving Account at American Endowment Foundation (AEF). This federally regulated foundation ensures that 100 percent of donations go directly to charities and that donors receive the maximum tax benefit.

"Mining the Internet is a huge opportunity for non-profits, but one which requires a level of training not often found in a small, mission-driven organization like ours," said Honey Meir-Levi, executive director of Ronald McDonald House at Stanford. By affiliating with Bring Light, the charity believes it "can reach a fresh world of people eager to help us in a fast and cost-effective way."

To start Bring Light, Dyrdahl raised $300,000 on her own and from angel investors.

But not all efforts to use the Internet to help charities and donors connect have survived.

Back in 1999, former Microsoft executive Pete Mountanos founded San Carlos-based Charitableway.com with $43 million in venture funding as a general online giving portal before switching to a business that ran corporate donation campaigns.

Growth at Charitableway came too slowly, however, and two years later, the dot-com flamed out.
Dyrdahl called Charitableway “a little bit ahead of their time.”

“Society's embracing of Internet technology has changed dramatically” since those days, she said. “Now, with the advent of things like iTunes, people are much more familiar and comfortable with online purchases. It is not a novelty anymore.”

**Generational thing** Jay Love, CEO of eTapestry, an Indiana-based provider of Web-based fundraising software for non-profit groups, agrees with Dyrdahl. He points out that online donations to charity - while still a minute portion of overall giving to non-profits - reached $4.5 billion in the United States in 2005. That’s about double what was given to charities online in 2003. This year, he estimates online donations to charities could reach as much as 8 percent of all giving.

About 13 million people - 9 percent of all Internet users in the United States - made online donations in the aftermath of hurricanes Katrina and Rita in 2005, according to a study by Craver, Mathews, Smith & Co.

“It’s a generational thing,” said Love. With baby boomers slipping into retirement and potentially cutting back on charitable giving, younger Internet and e-mail savvy people are taking their place as potential non-profit supporters, Love said.

Other online charity Web sites, often with a social networking component, include the Maryland-based Networkforgood.org, founded in 2001 by America Online, Cisco Systems and Yahoo. The long-established, Virginia-based Guidestar.org and New Jersey-based Charitynavigator.org connect people with financial information about non-profits, although they do not offer social networking.

Dyrdahl, who has a staff of two, said her interest in the charity world stemmed from her job at Adobe, where she was head of the company’s corporate philanthropy effort. It was there she had the opportunity to see the challenges facing non-profits, including attracting younger donors.

The Los Altos resident also is a charity supporter. Married to builder Clyde Dyrdahl and the owner of three terriers, she’s on the board of directors for the Humane Society of Silicon Valley, belongs to the San Jose State University Alumni Association and serves on San Jose State’s College of Business advisory board. She retired from Adobe last year to found Bring Light.

Co-founder McManus, 39, lives on several acres in Gilroy with his wife, two teenage sons and the family's two dogs, two horses and a growing number of cats adopted from local shelters. McManus said he supports animal rescue groups and efforts to stem global warming. He left Adobe after 12 years to help found Bring Light.

`Bigger impact' The third member of Bring Light's executive team, David Mills, is the company's vice president of business strategy. He worked for a decade at Adobe, most recently as an Entrepreneur in Residence, evaluating new ideas that could be made into viable businesses. He is a member of the board of directors of the San Jose Youth Symphony and is a marketing professor at San Jose State University.

While only time will tell how popular Internet donations will become, “the prognosis is high” for the success of sites that blend social networking with charitable giving, said Josh Becker, founder and chairman of the board of the San Francisco-based Full Circle Fund, a Bay Area young professionals' giving group. "I am a firm believer that people acting collectively can have a much bigger impact. Leveraging the power of the Internet to do collective giving is fantastic."

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