START EQUAL

The Start Equal Pledge

An inheritance pledge for heirs and owners

Nobody needs to inherit more than the average person owns. Everything above that becomes starting capital for someone who inherits nothing.

This is not charity. It is liberal capitalism taken seriously.

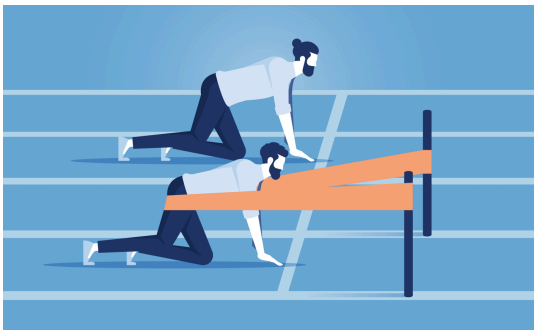
In short

- **The pledge – for the future:** I keep or pass on at most the average wealth per person in my country, in Germany about €360,000. Whatever I inherit, or plan to leave to any one person, above that goes into starting capital for people who inherit nothing – all of it, 38.2 % or a tenth, as I choose.
- **The match – for today:** fund two, we add a third. For the first ten people who fund two basic inheritances (€20,000 each) through our partner Stiftung Grunderbe, Start Equal's founder funds a third, whether or not you sign the pledge.
- **The founding circle:** we are looking for the first ten pledgers. You can sign openly, anonymously, or on the condition that the circle fills.

"The essence of the liberal position, however, is the denial of all privilege."

Friedrich August von Hayek, liberal economist

Why: the inheritance lottery



Today, one of the greatest determinants of success in life is the family we are born into. This birth lottery creates profound starting injustices. It limits human potential, stifles innovation, and undermines the principles of a truly liberal and social market economy.

Liberals have said this for a long time. A market economy rewards talent and effort only if people enter it on comparable terms. Large inheritances are the opposite of that: unearned, and distributed by birth.

We believe the long-term answer is political: a starting capital for every young person, funded from the inheritances of the generation before. Until then, those of us who have more than we need can simply start.

The pledge

The cap: average wealth

The cap is the average net personal wealth per adult in your country of residence, taken once a year from the World Inequality Database (wid.world) and rounded. For Germany this is currently about €360,000. The cap is per recipient, over a lifetime, incl. gifts.

Why the average? Because it is what everyone would have if wealth were shared equally – in Germany about €360,000 per adult. And it is roughly what an average person passes on in a lifetime.

As an heir, as an owner – or both

As an heir	As an owner
Of whatever I receive in gifts and inheritances over my lifetime above the cap, I will pass on my chosen share – 100 %, 38.2 % or 10 % – within 24 months of receiving it.	I will arrange my estate so that, of everything any one person would receive from me above the cap, my chosen share – 100 %, 38.2 % or 10 % – becomes starting capital for others. I will invite my heirs to co-sign.

Example: an owner with an estate of €3 million and two children has €2.28 million above the cap (€1.14 million per child). At Fair Share each child receives €360,000 and €2.28 million becomes starting capital; at Golden Ratio it is about €871,000, at Tithe €228,000.

Three levels: choose how much you pass on

The threshold is the same for everyone: the average wealth per adult in your country. You decide which share of everything above it you pass on. Each level is a complete pledge, none is a step towards another.

- **Fair Share – 100 %:** I keep my fair share and pass on everything above the average.
- **Golden Ratio – 38.2 %:** I pass on 38.2 % of everything above the average. The golden section: a balance between what I keep and what I pass on.
- **Tithe – 10 %:** I pass on a tenth of everything above the average, the oldest giving rule there is.

Calculate what it means for you: startequal.org/pledge#calculator

Where the money goes

You choose, and you give directly. Start Equal never holds your money.

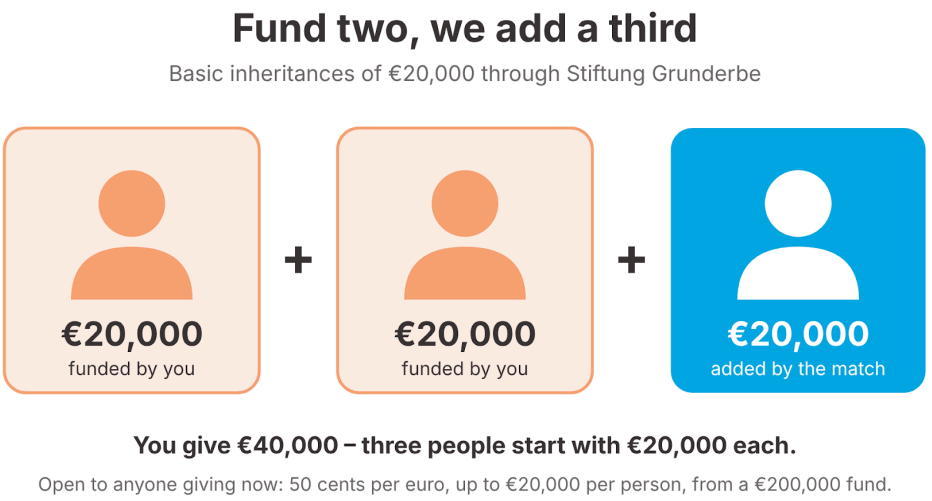
- **Basic inheritance in your own country.** In Germany: Stiftung Grunderbe (see below).
- **Direct cash transfers in the global south,** for example through GiveDirectly, because equal opportunity doesn't stop at borders.
- **A new basic-inheritance pilot** in a country that has none. Start Equal helps set it up, using the German blueprint.

How binding is it?

The pledge is a personal, moral commitment, not a contract. You decide whether your name is listed. If you want to make it legally firm, a clause in your will does that; in countries with forced-heirship rules (such as the German Pflichtteil) this works best when your heirs co-sign. Please take your own legal and tax advice.

Start now: fund two, we add a third

A pledge concerns the future. To begin today, Start Equal's founder Jan Veddeler has set aside money from his own inheritance as a founding match. The match is separate from the pledge: it is open to anyone who gives now, whether or not they sign.



- **50 cents per euro:** for every euro you give to Stiftung Grunderbe, or to a new basic-inheritance pilot that Start Equal helps set up, the match adds 50 cents.
- **In whole units:** you fund two basic inheritances of €20,000, the match funds a third.
- **€20,000 per person:** the match is limited to one additional basic inheritance per person, so that it reaches ten givers. You are welcome to give more.
- **Straight to the recipient:** you pay into a trustee account at Stiftung Grunderbe, and the foundation passes each €20,000 on to a person drawn in its raffle.
- **For the first ten:** ten givers fund two basic inheritances each, the match adds ten more – thirty people who start with a capital of their own.

Gifts to GiveDirectly count towards your pledge, but are not matched: the match is meant to build something that would not exist without it.

Our primary implementation partner: Stiftung Grunderbe



The German Stiftung Grunderbe (Foundation for Basic Inheritance) is an established pioneer in the field, founded in 2010 by the entrepreneur Christoph Prüm and family.

Track record: four rounds of basic inheritance allocation across 12 German cities, distributing €20,000 to each raffle winner.

Who receives it: 30-year-olds in the places drawn each year who have not received a significant inheritance.

Reciprocity: recipients who later inherit pay back up to 20 % of that inheritance into the foundation's fund – at most the €20,000 they received.

More information: **grunderbe.de**

Outside Germany? If you would like your capital to serve your own city, region or country, Start Equal is happy to help you set up a similar basic-inheritance programme there.

"The hereditary inequality of opportunity is the most essential institutional structural element through which feudalism lives on in the market economy society."

Alexander Rüstow, ordo-liberal founding father of the social market economy

The founding circle

We are looking for the first ten people who sign. Founding pledgers help shape the final wording and decide together when the pledge goes public.

- **Open or anonymous:** your choice, now and later.
- **"I'm in if others are":** you may sign on the condition that the circle of ten fills.
- **No amounts published:** the pledge is a rule, not a number. Nobody needs to disclose what they own or expect.

To join or to talk it through, use the form at startequal.org/pledge or write to Jan: jan@startequal.org

Why I am doing this



I was born and raised into a wealthy family in Northern Germany. My father took over a small family business from my grandfather and extended it into several successful companies. Despite, or probably because of, this background I want to abolish inherited privilege and work towards a world of more equal opportunities. For the inheritance I have already received, I decided a long time ago not to regard it as my own property. I keep it separate from my self-earned funds and hold it as a trustee, if you like. The founding match is that money.

My upbringing gave me something more valuable than money: confidence. The basic trust that something will cushion me when I fall. That confidence is what let me take risks and choose meaningful work. Everyone wants this for their children, and that is why most people hold on to our unjust inheritance system. The idea of universal starting capital is to spread this confidence to all of our children, for a fair and equal start in life. A life in which everyone can attempt to fly without being afraid to fall too far.

Jan Veddeler, founder of Start Equal. PhD candidate in Applied Economics at the University of Antwerp, researching social-liberal inheritance reform and universal basic capital. Co-founder of Startup Lions (Turkana, Kenya), IT training and digital job creation. Open-source ERP consultant at humanilog.org.

FAQ

Does this mean abolishing inheritance?

No. Up to the average, passing on wealth within the family stays exactly as it is: the pledge only concerns what lies above it. The same holds for the policy idea behind it: inheritances up to a generous allowance remain private. Family businesses can still be handed over above that. The heir takes over and pays the tax back over many years out of the company's profits, like a loan from the state; or a public fund holds the shares for a while as a silent partner (a temporary trustee) until the heir buys them back or they are sold. More on startequal.org: Family businesses and inheritance taxes, and Property rights and the freedom to bequest.

Average wealth and what people pass on: why are they not exactly the same?

Older people hold more wealth than younger adults, and the generations dying now are richer than average; this pushes the amount passed on up. Transfers between spouses are counted too, and fewer children are born than people die. If wealth were spread evenly across ages and the population were stable, both numbers would be the same. In Germany they are close: about €360,000 average wealth per adult, about €300,000–400,000 passed on per person over a lifetime.

Is this communism?

No, it is capitalism taken seriously. It ensures fair competition by reducing inherited privilege, the last vestige of feudalism. Success should depend on talent and effort, not birth.

Left-wing or conservative?

Neither, or both. Start Equal is social-liberal. Liberty and equality of opportunity are inseparable; you cannot be free in a rigged race.

What about my children?

They still inherit up to the average wealth of their country, more than most people ever receive.

Why not simply pay inheritance tax?

You can do both. Taxes go into general budgets. The pledge turns inherited wealth directly into starting capital for individuals, and builds the evidence for a public scheme funded the same way.

Why not just give to charity?

Classic charity relieves need. Starting capital changes where people start: it funds education, a business, a home. It is ownership, not aid.

Won't starting capital make people lazy?

Where it has been tried, young people mostly invest it. In South Korea's Didim seed accounts, young adults used their withdrawals mainly for tuition, housing and vocational qualifications. The match helps build more of that evidence.

What about taxes on my gift?

This depends on your country. In Germany, a basic inheritance through Stiftung Grunderbe is a private gift from you to the recipient, not a donation, so it is not tax-deductible for you. €20,000 is the tax-free allowance for gifts to a person who is not a relative, so the recipient pays no gift tax. Donations to GiveDirectly made from Germany via Effektiv Spenden are tax-deductible; elsewhere it depends on how you give. Please ask your own adviser.

Is the idea unrealistic?

No, forms of it already exist or existed as Child Development Accounts and baby bonds, for example in the UK, Canada, the USA, Singapore, South Korea, Kazakhstan and Hungary. What these real-world schemes teach us: Basic Inheritance Light.

About Start Equal

Start Equal is a social-liberal initiative for a world in which everyone has an equal and empowered start in life. We work on three things: funding and piloting starting capital together with partners; connecting the people and organisations working on starting capital and direct cash transfers worldwide; and making the case for public reform, so that the inheritances of one generation fund a starting capital for everyone in the next.

Partners: Stiftung Grunderbe (implementation), Netzwerk Steuergerechtigkeit / Tax Justice Network Germany. More: **startequal.org**

"Economists and communists, you who offer me freedom without equality there, equality without freedom here, I feel deprived of my rights and reject your presents."

François Huet, 19th-century Belgian philosopher

Legal note

Start Equal is a project initiated by Jan-Marten Veddeler, Berlin, Germany. The pledge is a non-binding personal commitment. Start Equal does not receive or hold pledged funds. Nothing in this document is legal or tax advice.