

Trump Pressures Fed Chair Over \$2.5 Billion Renovation; Powell Seeks Oversight Review

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President Donald Trump has intensified his criticism of Federal Reserve Chair Jerome Powell by spotlighting a \$2.5 billion renovation project at the central bank's Washington headquarters. The project, which has exceeded its original estimates by \$700 million, has become the latest point of contention between the White House and the Fed. Trump officials, including budget director Russ Vought, described the

renovations as excessive, suggesting the plans included unnecessary luxury upgrades that may violate federal planning guidelines.

The White House claims that the renovation, initially approved under Powell's leadership, is emblematic of wasteful spending and poor oversight. Though the project began with modest objectives, recent disclosures show ballooning costs attributed to structural challenges like asbestos remediation, groundwater problems, and increased inflation-related construction costs. The administration has used these overruns to fuel speculation that Powell is mismanaging the institution's operations.

In response, Chair Powell has requested an independent investigation by the Federal Reserve's inspector general. He defended the project, stating that many of the more extravagant features were never implemented or have since been scaled back. Powell emphasized that the Federal Reserve, as an independent agency, is accountable to Congress, not to the executive branch, and that all financial decisions are subject to internal checks and long-term planning protocols.

Despite mounting pressure from the White House, legal experts note that removing the Fed chair over policy disagreements or building costs would likely not stand up to judicial scrutiny. Powell has made clear he has no intention of stepping down before his term ends in May 2026.

The situation underscores a broader concern about the future of central bank independence in the face of rising political interference. Financial analysts warn that any move to remove Powell or undermine the Fed's autonomy could trigger market volatility, weaken investor confidence, and ultimately drive up borrowing costs across the board.

Critics argue the White House's focus on the renovation is a political ploy to create grounds for dismissal. Meanwhile, Powell's decision to seek a formal review of the project is viewed by many as a preemptive step to defend both the institution and his leadership.

At its core, the dispute reflects an intensifying power struggle between the executive branch and one of the nation's most influential independent agencies. As the 2026 election cycle looms, the Fed's credibility and the stability of the U.S. economy may hinge on how this conflict is resolved.