A recent study by Merrill Lynch and Age Wave found that the cost of retirement exceeds $700,000 on average, easily surpassing the costs of buying a home or paying for college. While this number probably seems daunting, it may be a comfort to know that setting aside even small amounts of money for retirement can have a big impact on your future nest egg.

When it comes to saving money, there are many competing interests making it hard to set aside large amounts for something as far off as retirement seems—especially to younger investors. Making mortgage payments, paying off car loans and setting money aside for your children's education often take precedence. In reality, though, retirement should always be at the forefront.

We often speak to investors who feel a sense of investment paralysis when it comes to saving for retirement. They feel their goal is so large and unattainable, that many give up. This is a mistake because even setting aside small amounts can make a big difference thanks to the power of compounding.

Let's say an investor starts with $1,000. Over a 25-year-period, even at a modest return of 4 percent, with interest compounded annually, and an additional contribution of only $50 per month will result in a savings of $28,192 after 25 years, according to Bankrate calculations. We frequently tell clients not to get so caught up on the end goal. Rather, they should focus on small ways to save.

Just by making small changes in your everyday activities you may find you're able to set more money aside for retirement. Start by keeping careful track of your expenses for a few months and then see where you can make small cuts. You may find that bringing lunch from home, versus buying it can save you several dollars a week, as can making coffee at work instead of dropping by the local coffee shop every morning. Setting aside just $10 a month for 25 years at 4 percent interest compounded annually will yield you more than $5,000, according to Bankrate's compound interest calendar. By setting aside $20 a month for this same time period and at the same interest rate, your estimated total will be $10,210.

It's also important to try and contribute generously each month to your workplace retirement plan, if you have one. It's best to contribute the maximum percentage your plan allows, but you should at least contribute enough to take advantage of the company match, if applicable. The maximum you can contribute in 2017 is $18,000 according to IRS rules. But if you are age 50 or older, you can contribute an additional $6,000 to your workplace plan in 2017. We recommend clients take advantage of the catch-up option if they can because every little bit counts. If you don’t have a retirement plan option at work, you can still contribute up to $5,500 to an IRA, or $6,500 if you are age 50 or above.

There’s plenty of research showing that Americans aren’t saving enough for retirement, but try not to get so caught up on the end number and instead focus on saving a little bit at a time. At Align, we help you determine how much you’ll likely need to live comfortably in retirement. We work closely with you to make your savings goals more achievable and help you reach your financial goals.

Please don’t hesitate to reach out to discuss further how we can best assist you. We’re here to help.