In many Western countries, there has been ongoing debate regarding the financial sustainability of long-term care for the elderly and the most vulnerable population groups. The number of older people is increasing, as is the average life expectancy of this group. This, in turn, is pushing up the expected demand for long-term care and the associated costs. Partly in order to limit future cost increases, in many European countries reforms to long-term care have been accompanied by appeals to civic responsibility, encouraging citizens to care for their loved ones or for recipients of care to arrange their own care. As a result, care for the elderly is becoming increasingly dependent on unpaid, informal caregivers. Much research has been done into the relationship between formal and informal care at the individual level. However, our knowledge of the role of contextual factors, and more specifically the role of the supply of both formal and informal care in a given country, remains limited, despite the fact that policy changes are also taking place at this national level. This thesis addresses this knowledge gap. Contextual factors at the macro level are related to the care that is received and provided at the individual level by people aged 50 years and over who live in their own homes. There is a particular focus on possible social differences and how the influence of the supply of care differs for various target groups. The thesis consists of four empirical articles based on data from the Survey of Health, Aging and Retirement in Europe (SHARE) combined with national data on public expenditure on home care, exploiting the longitudinal character of the data.