Youth unemployment has been a major concern in most countries across the world. This topic has generated considerable interest because unemployment can have long-term scarring effects on future pay and job attainment of individuals. Our study explores the relative importance of human capital resources, immigration status, and religious affiliation on the likelihood of being unemployed among youth of various immigrant groups in Canada.

The data for our study are drawn from 2011 Canadian National Household Survey. Given that a large proportion of immigrants to Canada originate in Asian and Middle Eastern countries, our sample contains a substantial number of youth of non-Western religions. Our study employs the decomposition methods to explore the relative importance of human capital, religious affiliation, and immigrant status on their likelihood of being unemployed. It also controls for the effects of race and ethnic differences. The results of our analyses show that Muslim youth have a higher unemployment rate than youth of other religions, and that youth of west Asian groups have a higher unemployment rate than youth of other groups.