UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

[X] Annual Report Under Section 13 or 15 (d) of the Securities Exchange Act of 1934 [No Fee Required]

For the fiscal year ended September 30, 2000

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [No Fee Required]

For the transition period from _______________ to ________________

Commission File Number: 1-5707

GENERAL EMPLOYMENT ENTERPRISES, INC.
(Exact name of registrant as specified in its charter)

Illinois	36-6097429
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

One Tower Lane, Suite 2100, Oakbrook Terrace, IL	60181
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (630) 954-0400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Names of each exchange on which registered
Common Stock, no par value	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No __

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of October 31, 2000 was $11,984,000. At that date, there were 5,086,656 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the General Employment Enterprises, Inc. Proxy Statement for the annual meeting of shareholders to be held on February 28, 2001 are incorporated by reference into Part III of this Form 10-K.

PART I

Item 1. Business

General
General Employment Enterprises, Inc. (the "Company") was incorporated in the State of Illinois in 1962 and is the successor to employment offices doing business since 1893. In 1987 the Company established Triad Personnel Services, Inc., a wholly-owned subsidiary, incorporated in the State of Illinois. The principal executive office of the Company is located at One Tower Lane, Suite 2100, Oakbrook Terrace, Illinois.

Services Provided
The Company operates in one industry segment, providing professional staffing services. The Company offers its customers both full-time placement and temporary contract staffing services, specializing in the placement of information technology, engineering and accounting professionals.

The Company's placement services include placing candidates into regular, full-time jobs with client-employers. The Company's contract services include placing its professional employees on temporary assignments, under contracts with client companies. Contract workers are employees of the Company, typically working at the client location and at the direction of client personnel for periods of three months to one year. Management believes that the combination of these two services provides a strong marketing opportunity, because it offers customers a variety of staffing alternatives that includes regular full-time staffing, temporary staffing and a contract-to-hire approach to hiring.

The amount of revenues derived from these services for each of the last three fiscal years is presented in the Company's consolidated statement of income. In fiscal 2000, the Company derived 60% of its revenues from placement services and 40% of its revenues from contract services.

Marketing
The Company markets its services using the trade names General Employment, Omni One, Business Management Personnel and Triad Personnel Services. As of September 30, 2000, it operated 42 branch offices located in downtown or suburban areas of major U.S. cities in 14 states. Thirty-six of the offices were full-service branches, providing both placement and contract services, and six of the offices specialized in contract services only. The offices were concentrated in California (11), Illinois (8), Indiana (3), Ohio (3) and Texas (3), with two offices each in Arizona, Florida, Georgia, Massachusetts and Michigan, and one office each in Nevada, North Carolina, Pennsylvania and Tennessee.

The Company markets its services to prospective clients primarily through telephone marketing by its employment consultants and through mailing of employment bulletins listing candidates available for placement and contract employees available for assignment.

The Company has a diverse customer base, and no single customer accounts for more than 4% of its revenues.

Recruiting
The success of the Company is highly dependent on its ability to obtain qualified candidates. Prospective employment candidates are recruited through telephone contact by the Company's employment consultants, through classified newspaper advertising and through postings on the internet. For this purpose, the Company maintains its own internet web page at

www.generalemployment.com and uses other internet job posting bulletin board services. The Company uses a computer program to track applicants' skills and match them with job openings. The Company screens and interviews all applicants who are presented to its clients.

Billing Practices

The Company charges a fee for successful placements that is based on a percentage of the applicant's projected annual salary, and the Company provides its clients with a guarantee under which the fee is refundable if the applicant does not remain employed during a guarantee period. Fees for contract services are billed on an hourly basis each week. The Company expects payment by its customers upon receipt of its invoices. Typical of the staffing industry, working capital is required to finance the wages of contract workers before the related customer accounts are collected.

Competition

The staffing industry is highly competitive. There are relatively few barriers to entry by firms offering placement services, while significant amounts of working capital typically are required for firms offering contract services. The Company's competitors include a large number of sole-proprietorship operations, as well as regional and national organizations. Many of them are large corporations with substantially greater resources than the Company.

Because the Company focuses its attention on professional staffing positions, particularly in the highly specialized information technology field, it competes by providing services that are dedicated to quality. This is done by providing highly qualified candidates who are well matched for the position, by responding quickly to client requests, and by establishing offices in convenient locations. As an added service, the Company provides careful reference checking and scrutiny of candidates' work experience and optional background checks. Pricing is considered to be secondary to quality of service as a competitive factor.

Geographic diversity helps the Company to balance local or regional business cycles. Multiple offices in the Atlanta, Boston, Chicago, Columbus, Indianapolis, Los Angeles, Phoenix and San Francisco markets help to provide better client services through convenient office locations and the sharing of assignments.

Regulation

Employment agency service companies are regulated by three of the states in which the Company operates. Licenses are issued on a year-to-year basis. As of September 30, 2000, the Company held current licenses for all of the offices that were required to have them.

Employees

As of September 30, 2000, the Company had approximately 490 employees.

Item 2. Properties

The Company's policy is to lease commercial office space for all of its offices. The Company's headquarters are located in a modern 31-story building near Chicago, Illinois. The Company leases 12,900 square feet of space at this location, under a lease that will expire in January 2006.

The Company's staffing offices are located in downtown metropolitan and suburban business centers in 14 states. Generally, the Company enters into six-month leases for new locations, using shared office facilities whenever possible. Established offices are operated from leased space ranging from

1,000 to 2,100 square feet, generally for periods of one to five years, with cancellation clauses after certain periods of occupancy. Management believes that existing facilities are adequate for the Company's current needs and that its leasing strategies provide the Company with sufficient flexibility to open or close offices to accommodate business needs.

Item 3. Legal Proceedings

As of September 30, 2000, there were no material legal proceedings pending against the Company.

Item 4. Results of Vote of Security Holders

No matters were submitted to a vote of security holders during the fourth quarter of the 2000 fiscal year.

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters

Information regarding this item is contained in "Item 8. Financial Statements and Supplementary Data."

Item 6. Selected Financial Data

	Year Ended September 30				
(In Thousands, Except Per Share)	2000	1999	1998	1997	1996
Operating results:					
Net revenues	$39,802	$39,553	$36,734	$29,341	$23,241
Income from operations	3,577	4,569	4,710	3,780	2,539
Net income	2,532	3,025	3,090	2,441	1,641
Per share data:					
Net income - basic	$ .50	$ .59	$ .61	$ .49	$ .34
Net income - diluted	.49	.59	.58	.48	.33
Cash dividends declared	.30	.04	.04	.03	.02
Balance sheet data:					
Net working capital	$11,300	$11,391	$ 9,261	$ 6,418	$ 4,410
Long-term obligations	--	484	460	433	375
Shareholders' equity	14,143	13,137	10,335	7,149	4,806
Total assets	19,979	18,085	15,632	12,323	9,581

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company provides placement and contract staffing services for business and industry, specializing in the placement of professional information technology, engineering and accounting professionals. As of September 30, 2000, the Company operated 42 offices located in major metropolitan business centers in 14 states. The Company continually monitors the marketplace for new opportunities, and it opened two new branch offices in 2000, one in 1999 and nine in 1998. The Company also monitors the performance of its existing operations, and it closed two under-performing branch offices in 2000 and six in 1999.

A summary of operating data, expressed as a percentage of consolidated net revenues, is presented below.

	Year Ended September 30		
	2000	1999	1998
Net revenues:			
Placement services	59.6%	57.4%	68.4%
Contract services	40.4	42.6	31.6
Net revenues	100.0	100.0	100.0
Operating expenses:			
Cost of contract services	26.4	27.4	20.4
Selling	35.3	35.0	41.7
General and administrative	29.3	26.0	25.1
Total operating expenses	91.0	88.4	87.2
Income from operations	9.0%	11.6%	12.8%

Fiscal 2000 Results of Operations

Net Revenues

Consolidated net revenues for the year ended September 30, 2000 were essentially flat with the prior year - up $249,000 (1%). Placement services represented 59.6% of consolidated net revenues, and contract services represented 40.4% of the total.

Placement service revenues increased $1,018,000 (4%) for the year, primarily due to a 5% increase in the average placement fee. The number of placements was essentially unchanged from the prior year.

Contract service revenues decreased $769,000 (5%) for the year. This was the result of a 12% decline in billable hours that was partially offset by a 7% increase in the average hourly billing rate.

Although the demand for information technology professionals was moderately strong during fiscal 2000, the Company's customers were more cautious in their hiring patterns than in recent years. This restrained growth in the number of placements made by the Company, and it resulted in switching by some customers from contract services to placement services. Consolidated revenue growth was also adversely affected by high turnover of branch office managers and consulting staff during the fiscal year, which had the effect of holding back productivity in many of the branch offices.

The Company's greatest challenge during fiscal 2000 was attracting and retaining well-qualified personnel consultants. The Company met this challenge by promoting new branch managers, filling empty desks, increasing the training staff, and enhancing compensation and benefit programs. To improve consultant productivity, the Company also completed the installation of a new applicant retrieval system in all offices during the fiscal year.

The Company is well positioned for growth in fiscal 2001. Management expects that its customers will continue to take a cautious approach to their hiring patterns, and that revenue growth will come from strategic openings of new branch offices, the addition of consulting staff at existing offices and productivity improvements as the consulting staff matures.

Operating Expenses

Total operating expenses for fiscal 2000 were up $1,241,000 (4%) over the prior year.

The cost of contract services was down $323,000 (3%), as a result of the lower contract service revenues. The gross profit margin on contract services was 34.6% in fiscal 2000, compared with 35.7% the prior year. The gross profit on contract services declined $446,000 (7%), due to the combination of lower contract service revenues and a lower profit margin.

Selling expenses increased $186,000 (1%) in fiscal 2000, and they represented 35.3% of consolidated net revenues, which was slightly higher than the prior year. Commission expense increased 1%, as the effect of higher placement revenues was largely offset by lower average commission rates. Higher costs associated with employee benefit programs were largely offset by lower advertising and promotion expenses.

General and administrative expenses increased $1,378,000 (13%), and they represented 29.3% of consolidated revenues. This was up 3.3 points from the prior year. Compensation in the operating divisions increased 15% for the year, as new consultant compensation arrangements that place greater emphasis on fixed compensation, while reducing commission rates, were introduced in some branch offices. Office occupancy and operating costs increased 12% due to higher depreciation and other costs associated with upgrading the Company's computer systems and office furniture. Administrative compensation increased 12%, and all other general and administrative expenses increased 17%.

Income from Operations, Other Items and Net Income

Because total operating expenses increased at a greater rate than net revenues, the Company's operating margin declined by 2.6 points for the year - to 9.0% this year, compared with 11.6% the prior year. This caused a $992,000 (22%) decrease in income from operations for the year.

Interest income increased $149,000 (30%) in fiscal 2000, due to a combination of higher funds available for investment and higher average interest rates.

The effective income tax rate was 40.0% in fiscal 2000, about the same as the 40.1% rate the prior year.

As a result, net income for fiscal 2000 was $493,000 (16%) lower than fiscal 1999.

Fiscal 1999 Results of Operations

Net Revenues

For the year ended September 30, 1999, consolidated net revenues were up $2,819,000 (8%) from the prior year. Contract service revenues represented 42.6% of the Company's consolidated revenues for the year, while placement service revenues accounted for 57.4% of the consolidated total.

Placement service revenues decreased $2,427,000 (10%), as a decrease in the number of placements was partially offset by a 5% higher average placement fee.

Contract service revenues increased $5,246,000 (45%) primarily due to a 34% increase in billable hours and an 8% higher average hourly billing rate.

Operating Expenses

Total 1999 operating expenses were $2,960,000 (9%) greater than in 1998.

The cost of contract services increased $3,359,000 (45%) over 1998, in line with the higher contract service revenues. The

gross profit on contract services was a $1,887,000 (46%) increase compared with the prior year, and the gross profit margin was 35.7% compared with 35.5% the prior year.

Selling expenses for 1999 decreased $1,459,000 (10%) from the prior year, in line with the lower placement service revenues.

General and administrative expenses in 1999 increased $1,060,000 (11%) from 1998. This was largely associated with the combined effects of opening new branch offices during fiscal 1998 and inflationary cost increases. Branch office salaries and wages increased 31% for the year, while occupancy costs increased 16%. All other general and administrative expenses decreased 4%.

Income from Operations, Other Items and Net Income

The Company had income from operations of $4,569,000, which was a $141,000 (3%) decrease from the prior year, and the operating profit margin was 11.6%, compared with 12.8% the prior year. The lower margin was largely due to the combination of lower placement revenues and higher general and administrative expenses.

Interest income increased $56,000 (13%) compared with the prior year, due to higher investable funds.

The effective income tax rate was 40.1%, about the same as the 40.0% tax rate the prior year.

As a result, net income for the year ended September 30, 1999, was a $65,000 (2%) decline compared with the prior year.

Financial Condition

As of September 30, 2000, the Company had cash and short-term investments of $12,706,000. This was an increase of $874,000 over the prior year. At that date, net working capital was $11,300,000, which was a decrease of $91,000 compared with the prior year, and the current ratio was 2.9 to 1.

The Company's primary source of funds is from operations. In fiscal 2000, net cash provided by operating activities was $2,709,000.

During fiscal 2000, the Company completed the installation of computer systems and applicant retrieval software in all of its branch offices. The total amount spent during the year for the acquisition of property and equipment was $1,583,000. The Company intends to continue to upgrade its computer systems and office facilities in the future; however, capital expenditures in fiscal 2001 are expected to be less than in fiscal 2000. There were no firm commitments for the purchase of property and equipment as of September 30, 2000.

All of the Company's office facilities are leased, and information about future minimum lease payments is presented in the notes to the consolidated financial statements.

As of September 30, 2000, the Company had no debt outstanding, and it had a $1,000,000 unused line of credit available.

Shareholders' equity at that date was $14,143,000, which represented 71% of total assets.

The Company declared and paid a cash divided on its common stock of $254,000 ($ .05 per share) in fiscal 2000. In addition, a cash dividend of $1,272,000 ($ .25 per share) was declared in September 2000 that is payable in January 2001. Cash dividends in recent years have been declared on an annual basis at the discretion of the Board of Directors. There can be no assurances about the size or frequency of such dividends in the future.

Management believes that existing cash and short-term investments, together with funds generated by operations, will be adequate to meet the Company's anticipated operating and capital spending needs.

Forward-Looking Statements

As a matter of policy, the Company does not provide forecasts of future financial performance. However, the Company and its representatives may from time to time make written or verbal forward-looking statements, including statements contained in press announcements, reports to shareholders and filings with the Securities and Exchange Commission. All statements which address expectations about future operating performance and cash flows, future events and business developments, and future economic conditions are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. This includes statements relating to business expansion plans, expectations about revenue and earnings growth, and general statements of optimism about the future. These statements are based on management's then-current expectations and assumptions. Actual outcomes could differ significantly. The Company and its representatives do not assume any obligation to provide updated information.

Some of the factors that could affect the Company's future performance include, but are not limited to, general business conditions, the demand for the Company's services, competitive market pressures, the ability of the Company to attract and retain qualified personnel for regular full-time placement and contract project assignments, and the ability to attract and retain qualified corporate and branch management.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company's investment portfolio is exposed to the risk of interest rate fluctuations. The primary objective for its portfolio is to provide maximum protection of principal and high liquidity. By investing in high-quality securities having relatively short maturity periods, the Company reduces its exposure to interest rate fluctuations. All of its investments are fixed rate instruments having maturity periods of two years or less when purchased. A summary of investments at amortized cost, which approximates market value, as of September 30, 2000 is as follows:

(In Thousands)	Amount	Average Interest Rate
Maturity Period:		
Up to 3 months	$8,565	6.5%
3 months to one year	999	6.1
One to two years	2,471	7.2

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders
General Employment Enterprises, Inc.
Oakbrook Terrace, Illinois

We have audited the accompanying consolidated balance sheet of General Employment Enterprises, Inc. and subsidiary as of September 30, 2000 and 1999, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended September 30, 2000. Our audits also included the financial statement schedule listed in the Index at Item 14. These financial statements and the schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of General Employment Enterprises, Inc. and subsidiary at September 30, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended September 30, 2000, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material aspects the information set forth therein.

/s/ Ernst & Young LLP

November 10, 2000

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEET

	As of September 30	
(In Thousands)	2000	1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,236	$ 5,025
Short-term investments	5,470	6,807
Accounts receivable, less allowances		
(2000--$512; 1999--$440)	4,430	4,023
Total current assets	17,136	15,855
Property and equipment:		
Furniture, fixtures and equipment	6,058	4,702
Accumulated depreciation and amortization	(3,215)	(2,824)

Net property and equipment	2,843	1,878
Other assets	--	352
Total assets	$19,979	$18,085

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 655	$ 700
Dividends payable	1,272	--
Accrued compensation and payroll taxes	3,769	3,606
Other current liabilities	140	158
Total current liabilities	5,836	4,464
Long-term obligations	--	484
Shareholders' equity:		
Common stock, no-par value; authorized -- 20,000 shares; issued and outstanding -- 5,087 shares	51	51
Capital in excess of stated value of shares	4,569	4,569
Retained earnings	9,523	8,517
Total shareholders' equity	14,143	13,137
Total liabilities and shareholders' equity	$19,979	$18,085

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED STATEMENT OF INCOME

	Year Ended September 30		
(In Thousands, Except Per Share)	2000	1999	1998
Net revenues:			
Placement services	$23,720	$22,702	$25,129
Contract services	16,082	16,851	11,605
Net revenues	39,802	39,553	36,734
Operating expenses:			
Cost of contract services	10,520	10,843	7,484
Selling	14,045	13,859	15,318
General and administrative	11,660	10,282	9,222
Total operating expenses	36,225	34,984	32,024
Income from operations	3,577	4,569	4,710
Interest income	645	496	440
Income before income taxes	4,222	5,065	5,150
Provision for income taxes	1,690	2,040	2,060
Net income	$ 2,532	$ 3,025	$ 3,090
Net income per share:			
Basic	$ .50	$ .59	$ .61
Diluted	$ .49	$ .59	$ .58
Average number of shares:			
Basic	5,087	5,087	5,080
Diluted	5,117	5,122	5,316

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In Thousands)	Year Ended September 30 2000	1999	1998
Operating activities:			
Net income	$2,532	$3,025	$3,090
Depreciation and amortization	597	361	247
Reduction of long-term obligations	(516)	--	--
Other noncurrent items	403	107	44
Accounts receivable	(407)	(384)	(227)
Accrued compensation and payroll taxes	163	(435)	102
Other current liabilities	(63)	62	(6)
Net cash provided by operating activities	2,709	2,736	3,250
Investing activities:			
Acquisition of property and equipment	(1,583)	(1,101)	(562)
Purchases of short-term investments	(3,461)	(7,849)	(7,961)
Maturities of short-term investments	4,800	6,960	6,580
Net cash used by investing activities	(244)	(1,990)	(1,943)
Financing activities:			
Exercises of stock options	--	--	206
Cash dividends paid	(254)	(221)	(201)
Net cash provided (used) by financing activities	(254)	(221)	5
Increase in cash and cash equivalents	2,211	525	1,312
Cash and cash equivalents at beginning of year	5,025	4,500	3,188
Cash and cash equivalents at end of year	$7,236	$5,025	$4,500

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(In Thousands, Except Per Share)	Year Ended September 30 2000	1999	1998
Common shares outstanding:			
Number at beginning of year	5,087	4,424	3,987
Stock dividend declared	--	663	402
Exercises of stock options	--	--	35
Number at end of year	5,087	5,087	4,424
Common stock:			
Balance at beginning of year	$ 51	$ 44	$ 40
Stock dividend declared	--	7	4
Balance at end of year	$ 51	$ 51	$ 44
Capital in excess of stated value:			
Balance at beginning of year	$4,569	$4,576	$4,280
Stock dividend declared	--	(7)	(4)
Exercises of stock options	--	--	300
Balance at end of year	$4,569	$4,569	$4,576
Retained earnings:			
Balance at beginning of year	$8,517	$5,715	$2,829
Net income	2,532	3,025	3,090
Cash dividends declared on common stock - $.30 per share in 2000, $.04 per share in 1999 and $.04 per share in 1998	(1,526)	(221)	(201)
Stock dividend declared	--	(2)	(3)

Balance at end of year	$9,523	$8,517	$5,715

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company

General Employment Enterprises, Inc. (the "Company") and its wholly-owned subsidiary, Triad Personnel Services, Inc., operate in one industry segment, providing staffing services through a network of branch offices located in major metropolitan areas throughout the United States. The Company specializes in providing information technology and other professionals to clients on either a regular placement basis or a temporary contract basis.
The Company has a diverse customer base, and no single customer accounts for more than 4% of its revenues.

Significant Accounting Policies

Principles of Consolidation
The consolidated financial statements include the accounts and transactions of the Company and its wholly-owned subsidiary. All significant intercompany accounts and transactions are eliminated in consolidation.

Estimates and Assumptions
Preparing financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported. Management believes that its estimates are reasonable and proper, however, actual results could ultimately differ from those estimates.

Revenues from Services
Placement fees are recognized as income at the time applicants accept employment. Provision is made for estimated losses in realization, principally due to applicants not remaining in employment for a guarantee period. Contract service revenues are recognized when work is performed.

Cost of Contract Services
The cost of contract services includes the wages and the related payroll taxes and benefits of contract workers.

Income Taxes
Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse.

Net Income Per Share
Basic net income per share is based on the average number of common shares outstanding. Diluted net income per share is based on the average number of common shares and the dilutive effect of stock options.

Cash and Short-term Investments
Highly liquid investments with a maturity of three months or less

when purchased are considered to be cash equivalents. The Company classifies its short-term investments individually when purchased as either available-for- sale or held-to-maturity securities.

Property and Equipment
Furniture, fixtures and equipment are stated at cost. The Company provides for depreciation on a straight-line basis over estimated useful lives of two to ten years. The Company capitalizes computer software purchased or developed for internal use, and amortizes it over an estimated useful life of five years. The amounts of software capitalized in prior years have been reclassified to conform to the current year's presentation.

Stock Options
The Company accounts for stock options in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, there is no compensation expense to the Company when stock options are granted at prices equal to the fair market value at the date of grant. Proceeds on exercises of stock options and the associated income tax benefits are credited to shareholders' equity when received. In accordance with Emerging Issues Task Force Issue 00-15, "Classification in the Statement of Cash Flows of the Income Tax Benefit Received by a Company upon Exercise of a Nonqualified Employee Stock Option," the income tax benefit of stock options exercised in prior years has been reclassified in the consolidated statement of cash flows.

Cash and Short-term Investments

The Company's primary objective for its investment portfolio is to provide maximum protection of principal and high liquidity. By investing in high-quality securities having relatively short maturity periods, the Company reduces its exposure to the risks associated with interest rate fluctuations. Investments in securities of corporate issuers are rated A2 and P2 or better. A summary of cash and short-term investments as of September 30 is as follows:

(In Thousands)	2000	1999
Cash	$ 671	$ 1,147
Certificates of deposit	1,000	800
Commercial paper	6,565	4,867
U.S. federal agency notes	2,000	1,000
Corporate notes	2,470	3,007
Municipal notes	--	1,011
Total cash and short-term investments	$12,706	$11,832

Investments purchased in 2000 were classified as available-for-sale securities, and investments purchased in prior years were classified as held-to-maturity securities. All short-term investments held as of September 30, 2000 were classified as available-for-sale securities except for $1,000,000 of U.S. federal agency notes and $999,000 of corporate notes that were classified as held-to-maturity. As of September 30, 2000, all investments were considered to be available for current operations and had maturities of two years or less. Amortized cost approximated market value for all short-term investments, and unrealized gains and losses were not significant.

Income Taxes
The components of the provision for income taxes are as follows:

(In Thousands)	2000	1999	1998
Current tax provision:			
U.S. federal	$1,168	$1,577	$1,685
State and local	296	430	415
Total current tax provision	1,464	2,007	2,100
Deferred tax provision (credit)	226	33	(40)
Provision for income taxes	$1,690	$2,040	$2,060

The differences between income taxes calculated at the 34% statutory U.S. federal income tax rate and the Company's provision for income taxes are as follows:

(In Thousands)	2000	1999	1998
Income tax at statutory federal tax rate	$1,435	$1,722	$1,751
State income taxes, less federal benefit	228	287	271
Other	27	31	38
Provision for income taxes	$1,690	$2,040	$2,060

The net deferred tax asset balance, included in current assets as of September 30, 2000 and in other assets as of September 30, 1999, related to the following temporary differences:

(In Thousands)	2000	1999
Accrued compensation	$119	$274
Depreciation expense	(149)	(84)
Other	45	51
Net deferred income tax asset	$ 15	$241

The Company made income tax payments of $1,596,000 in 2000, $2,171,000 in 1999, and $2,040,000 in 1998.

The income tax benefit resulting from exercises of stock options reduced income taxes payable and increased shareholders' equity by $94,000 in 1998.

Line of Credit

The Company has a loan agreement with a bank, renewable annually, that makes a $1,000,000 unsecured line of credit available to the Company at the prime rate. There were no borrowings outstanding under the line of credit as of September 30, 2000 and 1999.

Lease Obligations

The Company leases space for all of its branch offices, which are located either in downtown or suburban metropolitan business centers, and space for its corporate headquarters. The branch offices are generally leased over periods from six months to five years, and the corporate headquarters is leased for ten years, expiring in 2006. Certain lease agreements provide for increased rental payments contingent upon future increases in real estate taxes, building maintenance costs and the cost of living index.

Rent expense was $1,783,000 in 2000, $1,781,000 in 1999 and $1,515,000 in 1998. As of September 30, 2000, future minimum lease payments under lease agreements having initial terms in excess of one year were: 2001 - $1,573,000, 2002 - $1,446,000, 2003 - $1,215,000, 2004 - $936,000, 2005 - $848,000, and beyond

2005 - $188,000.

Retirement Benefits

The Company has a 401(k) retirement plan in which all full-time employees may participate after one year of service. Under the plan, eligible participants may contribute a portion of their earnings to a trust, and the Company makes matching contributions, subject to certain limitations. During the year ended September 30, 2000, the Company fulfilled its obligation under an agreement to provide retirement benefits to an officer by paying out a lump sum of $400,000. The present value of this obligation was recorded at a discount rate of 7% as of September 30, 1999. The total cost of both retirement plans was $123,000 in 2000, $131,000 in 1999, and $141,000 in 1998.

Preferred Stock

As of September 30, 2000 there were 100,000 shares of preferred stock authorized, none of which have been issued.

Stock Options

The Company has stock option plans for directors, officers and employees. As of September 30, 2000, there were stock options outstanding under the Company's 1999 Stock Option Plan, 1997 Stock Option Plan, 1995 Stock Option Plan and 1992 Stock Option Plan. Under these plans, incentive or non-statutory stock options may be granted to officers and employees, and they may be exercisable for up to ten years. Outside directors were automatically granted non-statutory options to purchase specified numbers of shares on the effective dates of the plans. The Stock Option Committee of the Board of Directors, which has the authority to select the employees and to determine the terms of each option granted, administers the plans.

A summary of stock options is as follows:

(Number of Shares in Thousands)	2000	1999	1998
Number of shares outstanding:			
Beginning of year	721	554	512
Granted	32	167	90
Exercised	--	--	(44)
Terminated	(34)	--	(4)
End of year	719	721	554
Number of shares exercisable at end of year	651	650	361
Number of shares available for grant at end of year	194	192	71
Weighted average option prices per share:			
Granted during the year	$4.73	$4.68	$6.01
Exercised during the year	--	--	4.74
Outstanding at end of year	5.39	5.45	5.69
Exercisable at end of year	5.41	5.47	5.03

Information about stock options outstanding as of September 30, 2000 is as follows (number of shares in thousands):

Range of Exercise Prices	Number Outstanding	Weighted Number Exercisable	Average Average Price	Remaining Life (Years)
Under $4.00	46	46	$1.40	2

$4.00 to $6.00	586	543	5.25	7
Over $6.00	87	62	8.43	7

The issuance of stock options under the Company's plans does not result in any present or future cash outlay by the Company. Moreover, the Company benefits financially through the receipt of cash proceeds and income tax benefits when options are exercised. In accordance with generally accepted accounting principles, there was no compensation expense resulting from the issuance of stock options because the option exercise prices were equal to the market prices of the underlying stock on the dates of grant.

Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," requires companies to calculate a hypothetical value of stock options on their dates of grant. The Company has calculated the following weighted average option values using the assumptions indicated and the Black-Scholes option pricing model:

	2000	1999	1998
Weighted average estimated fair value per share of stock options granted	$1.48	$1.88	$2.73
Expected option life (years)	3.00	3.00	3.00
Stock price volatility	53%	57%	64%
Risk-free interest rate	5.4%	5.3%	5.3%
Dividend yield	1.0%	1.0%	0.5%

Assuming that stock options granted during 2000, 1999 and 1998 were valued using these assumptions and the values were reflected as compensation expense over their vesting periods, the Company's pro forma net income and diluted net income per share would have been $2,477,000 ($ .49 per share) in 2000, $2,793,000 ($ .55 per

share) in 1999, and $2,821,000 ($ .54 per share) in 1998.

Shareholder Rights Plan

On February 4, 2000 the Company adopted a shareholder rights plan, and the Board of Directors declared a dividend of one share purchase right for each share of outstanding common stock, payable to shareholders of record on February 22, 2000. The rights replace the preferred share purchase rights that were originally distributed to common shareholders in 1990 and that expired by their terms on February 22, 2000.

The rights will become exercisable if any person or affiliated group (other than certain "grandfathered" shareholders) acquires, or offers to acquire, 10% or more of the Company's outstanding common shares. Each exercisable right entitles the holder (other than the acquiring person or group) to purchase, at a price of $21.50 per share, common stock of the Company having a market value equal to two times the purchase price.

The purchase price and the number of common shares issuable on exercise of the rights are subject to adjustment in accordance with customary anti-dilution provisions.

The Board of Directors may authorize the Company to redeem the rights at a price of $ .01 per right at any time before they become exercisable. After the rights become exercisable, the Board of Directors may authorize the Company to exchange any unexercised rights at the rate of one share of common stock for each right. The rights are nonvoting, and they will expire on February 22, 2010.

Employment Contracts

The Company has agreements with two of its officers and a separate plan covering branch managers and key corporate employees that would become effective if the employment of any of these officers or employees should terminate under certain conditions following a change in control of the Company. Under these circumstances, the Company would be obligated to make lump sum payments to the two officers equal to two times their annual salary, to make lump sum payments to covered employees ranging from $20,000 to $50,000, and to provide continued benefits under the Company's welfare plans for two years.

GENERAL EMPLOYMENT ENTERPRISES, INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(In Thousands)	Year Ended September 30 2000	1999	1998
Reserve for falloffs and doubtful accounts:			
Balance at beginning of year	$440	$565	$466
Additions charged to operating expenses	411	287	476
Adjustments charged (credited) to revenues	74	(74)	24
Deductions for bad debt write-offs	(413)	(338)	(401)
Balance at end of year	$512	$440	$565

GENERAL EMPLOYMENT ENTERPRISES, INC.
SELECTED QUARTERLY FINANCIAL DATA AND MARKET INFORMATION

(In Thousands, Except Per Share)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Fiscal 2000:				
Net revenues	$9,889	$10,022	$9,908	$9,983
Operating expenses	8,995	9,231	8,841	9,158
Income from operations	894	791	1,067	825
Interest income	149	140	171	185
Income before income taxes	1,043	931	1,238	1,010
Provision for income taxes	420	375	495	400
Net income	$ 623	$ 556	$ 743	$ 610
Net income per share:				
Basic	$ .12	$ .11	$ .15	$ .12
Diluted	.12	.11	.15	.12
Market price per share:				
High	5.13	5.06	4.50	3.88
Low	3.94	4.13	3.50	3.25
Fiscal 1999:				
Net revenues	$9,161	$9,991	$10,470	$9,931
Operating expenses	8,315	9,004	9,062	8,603
Income from operations	846	987	1,408	1,328
Interest income	126	108	123	139
Income before income taxes	972	1,095	1,531	1,467
Provision for income taxes	385	440	620	595
Net income	$ 587	$ 655	$ 911	$ 872
Net income per share:				
Basic	$ .12	$ .13	$ .18	$ .17
Diluted	.11	.13	.18	.17

Market price per share:				
High	7.39	6.20	5.11	6.09
Low	4.55	3.48	3.59	3.48

The Company's common stock is traded on the American Stock Exchange under the trading symbol JOB. There were 949 holders of record as of October 31, 2000.

The Company declared annual cash dividends on its common stock of $.25 per share in September 2000, $.05 per share in November 1999 and $.04 per share in November 1998.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no changes in or disagreements with the Company's independent accountants during the two most recent fiscal years.

PART III

Item 10. Directors, Executive Officers, Promoters and Control Persons of the Registrant

Information concerning directors and the executive officers of the registrant is set forth in the registrant's Proxy Statement for the annual meeting of shareholders and is incorporated herein by reference.

Item 11. Executive Compensation

Information concerning executive compensation is set forth in the registrant's Proxy Statement for the annual meeting of shareholders and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information concerning security ownership of certain beneficial owners and management is set forth in the registrant's Proxy Statement for the annual meeting of shareholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

Information concerning certain relationships and related transactions is set forth in the registrant's Proxy Statement for the annual meeting of shareholders and is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

Financial Statements and Financial Statement Schedules
The following financial statements and financial statement schedules are filed as a part of this report:

All other financial statement schedules are omitted because they are not applicable.

Reports on Form 8-K

There were no reports filed on Form 8-K during the quarter ended September 30, 2000.

Exhibits

The following exhibits are filed as a part of this report:

No. Description of Exhibit

3.01 Articles of Incorporation and amendments thereto. Incorporated by reference to Exhibit 3 to the Registrant's Quarterly Report on Form 10-QSB for the quarter ended March 31, 1996, Commission File No. 1-5707.

3.02 By-Laws. Incorporated by reference to Exhibit 3(b) of the Registrant's Annual Report on Form 10-KSB for the fiscal year ended September 30, 1997, Commission File No. 1-5707.

4.01 Rights Agreement dated as of February 4, 2000, between General Employment Enterprises, Inc. and Continental Stock Transfer and Trust Company, as Rights Agent. Incorporated by reference to Exhibit 1 to the Registrant's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on February 7, 2000.

10.01 Employment contract with Herbert F. Imhoff. Incorporated by reference to Exhibit 10(i) to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1981, Commission File No. 1-5707.

10.02 Senior Executive Agreement with Herbert F. Imhoff dated May 22, 1990. Incorporated by reference to Exhibit 10(e) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990, Commission File No. 1-5707.

10.03 Senior Executive Agreement with Herbert F. Imhoff, Jr. dated May 22, 1990. Incorporated by reference to exhibit 10(f) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990, Commission File No. 1-5707.

10.04 Key Manager Plan, adopted May 22, 1990. Incorporated by reference to Exhibit 10(h) to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30 1990, Commission File No. 1-5707.

10.05 Agreement with Sheldon Brottman dated October 3, 1991. Incorporated by reference to Exhibit 10(l) to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 1991, Commission File No. 1-5707.

10.06 General Employment Enterprises, Inc. Stock Option Plan. Incorporated by reference to Exhibit 4.1 to the Registrant's Form S-8 Registration Statement dated March 3, 1992, Registration No. 33-46124.

10.07 General Employment Enterprises, Inc. 1995 Stock Option

Plan. Incorporated by reference to Exhibit 4.1 to the Registrant's Form S-8 Registration Statement dated April 25, 1995, Registration No. 33-91550.

10.08 General Employment Enterprises, Inc. 1997 Stock Option Plan. Incorporated by reference to Exhibit 10(n) to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended September 30,1998, Commission File No. 1-5707.

10.09 Resolution of the Board of Directors adopted September 28, 1998, amending the General Employment Enterprises, Inc. 1997 Stock Option Plan. Incorporated by reference to Exhibit 10(o) to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended September 30,1998, Commission File No. 1-5707.

10.10 General Employment Enterprises, Inc. 1999 Stock Option Plan. Incorporated by reference to Exhibit 10 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999, Commission File No. 1-5707.

10.11 Resolution of the Board of Directors, adopted November 15, 1999, establishing a Senior Executive Bonus Pool for fiscal 2000. Incorporated by reference to Exhibit 10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended December 31, 1999, Commission File No. 1-5707.

23 Consent of Independent Auditors.

27 Financial Data Schedule.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENERAL EMPLOYMENT ENTERPRISES, INC.
(Registrant)

Date: November 20, 2000 By: /s/ Herbert F. Imhoff
Herbert F. Imhoff
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: November 20, 2000 By: /s/ Herbert F. Imhoff
Herbert F. Imhoff
Chairman of the Board and
Chief Executive Officer
Principal executive officer

Date: November 20, 2000 By: /s/ Herbert F. Imhoff, Jr.
Herbert F. Imhoff, Jr.
President and Chief Operating Officer
and Director

Date: November 20, 2000 By: /s/ Kent M. Yauch
Kent M. Yauch
Chief Financial Officer and Treasurer
Principal financial and accounting officer

Date: November 20, 2000 By: /s/ Dennis W. Baker
Dennis W. Baker, Director

Date: November 20, 2000 By: /s/ Sheldon Brottman
Sheldon Brottman, Director

Date: November 20, 2000 By: /s/ Delain G. Danehey
Delain G. Danehey, Director

Date: November 20, 2000 By: /s/ Walter T. Kerwin, Jr.
Walter T. Kerwin, Jr., Director

Date: November 20, 2000 By: /s/ Joseph F. Lizzadro
Joseph F. Lizzadro, Director

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 33-91550, No. 33-46124, No. 333-25129 and No. 333-76879) pertaining to the General Employment Enterprises, Inc. Stock Option Plans of our report dated November 10, 2000, with respect to the consolidated financial statements of General Employment Enterprises, Inc. and subsidiary included in the Annual Report (Form 10-K) for the year ended September 30, 2000.

/s/ Ernst & Young LLP

Chicago, Illinois
November 20, 2000

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