UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2000

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

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, Illinois 60181
(Address of principal executive offices) (Zip Code)

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

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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 __

The number of shares outstanding of the issuer's common stock as of April 30, 2000 was 5,086,656.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEET (Unaudited)

(In Thousands)	March 31 2000	September 30 1999
ASSETS		
Current assets:		
Cash and short-term investments	$11,125	$11,832
Accounts receivable, less allowances		
(March 2000--$550; Sept. 1999--$440)	4,988	4,023

Total current assets	16,113	15,855
Property and equipment:		
Furniture, fixtures and equipment	4,220	3,846
Accumulated depreciation	(2,643)	(2,615)
Net property and equipment	1,577	1,231
Other assets	1,105	999
Total assets	$18,795	$18,085

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accrued compensation and payroll taxes	$ 3,699	$ 3,606
Other current liabilities	540	858
Total current liabilities	4,239	4,464
Long-term obligations	494	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	9,442	8,517
Total shareholders' equity	14,062	13,137
Total liabilities and shareholders' equity	$18,795	$18,085

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED STATEMENT OF INCOME (Unaudited)

	Three Months Ended March 31		Six Months Ended March 31	
(In Thousands, Except Per Share)	2000	1999	2000	1999
Net revenues:				
Placement services	$ 5,988	$ 5,818	$11,309	$11,561
Contract services	4,034	4,173	8,602	7,591
Net revenues	10,022	9,991	19,911	19,152
Operating expenses:				
Cost of contract services	2,693	2,784	5,665	5,025
Selling	3,625	3,632	6,838	7,259
General and administrative	2,913	2,588	5,723	5,035
Total operating expenses	9,231	9,004	18,226	17,319
Income from operations	791	987	1,685	1,833
Interest income	140	108	289	234
Income before income taxes	931	1,095	1,974	2,067
Provision for income taxes	375	440	795	825
Net income	$ 556	$ 655	$ 1,179	$ 1,242
Net income per share:				
Basic	$ .11	$ .13	$ .23	$ .24
Diluted	$ .11	$ .13	$ .23	$ .24
Average number of shares:				
Basic	5,087	5,087	5,087	5,087
Diluted	5,123	5,119	5,123	5,123

See notes to consolidated financial statements.

GENERAL EMPLOYMENT ENTERPRISES, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

(In Thousands)	Six Months Ended March 31 2000	1999
Operating activities:		
Net income	$ 1,179	$ 1,242
Depreciation and other noncurrent items	323	109
Accounts receivable	(965)	(476)
Accrued compensation and payroll taxes	93	(490)
Other current liabilities	(318)	(273)
Net cash provided by operating activities	312	112
Investing activities:		
Acquisition of property and equipment and other noncurrent items	(765)	(469)
Short-term investments	1,041	641
Net cash provided by investing activities	276	172
Financing activities:		
Cash dividend declared	(254)	(221)
Increase in cash and cash equivalents	334	63
Cash and cash equivalents at beginning of period	5,025	4,500
Cash and cash equivalents at end of period	5,359	4,563
Short-term investments at end of period	5,766	5,318
Cash and short-term investments	$11,125	$ 9,881

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Interim Financial Statements

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. This financial information should be read in conjunction with the financial statements included in the Company's annual report on Form 10-K for the year ended September 30, 1999.

Common Stock

The Company declared a 15% stock dividend payable on October 29, 1999. All prior per-share amounts have been restated to reflect the dividend.

The Company declared cash dividends of $.05 per common share on November 15, 1999 and $.04 per common share on November 16, 1998.

Item 2. 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 March 31, 2000, the Company operated 42 offices located in major metropolitan and business centers in 14 states.

The Company's consolidated service revenues were adversely affected by two factors during the first six months of its 2000 fiscal year. Management believes that client spending on year 2000 computer issues during the fiscal first quarter and the lingering after-effects during the fiscal second quarter caused clients to divert spending away from the traditional computer projects that the Company supports. The Company began to see some recovery from this pattern in its placement division in the second quarter. Management also believes that lower productivity associated with inexperienced staff at some of the Company's locations has been a factor limiting growth during the period.

The Company closed six marginally performing branch offices during fiscal 1999, and management expects to open five new branch offices during the year 2000.

Second Quarter Results of Operations

For the three months ended March 31, 2000, consolidated net revenues of $10,022,000 were up $31,000 from the second quarter of last year. Placement service revenues increased $170,000 (3%), due to an increase in the number of placements. Contract service revenues decreased $139,000 (3%) primarily due to a 15% decrease in billable hours, partially offset by a 9% higher average hourly billing rate. Contract service revenues represented 40% of the Company's consolidated revenues for the quarter, while placement service revenues accounted for 60% of the consolidated total.

The cost of contract services decreased $91,000 (3%) for the quarter. The gross profit on contract services was $1,341,000 this year, compared with $1,389,000 last year, and the gross profit margin was 33.2% this year compared with 33.3% last year. Selling expenses for the quarter decreased $7,000, while general and administrative expenses increased $325,000 (13%) from last year. Branch office salaries and wages increased 24%, and all other general and administrative expenses increased 7%. As a result, total operating expenses of $9,231,000 for the quarter were $227,000 (3%) greater than the $9,004,000 in the prior-year quarter.

The Company had income from operations of $791,000, which was a $196,000 (20%) decrease from $987,000 in the prior year's second quarter. The operating profit margin for the quarter decreased 2.0 points - to 7.9% this year compared with 9.9% last year.

Interest income for the second quarter increased $32,000 (30%) due to higher investable funds.

The Company had pretax income of $931,000 for the quarter, which was a decrease of $164,000 (15%) from last year. The effective income tax rate was 40% this year, the same as last year.

After taxes, net income was $556,000 for the quarter ended March 31, 2000, which was a $99,000 (15%) decrease compared with net income of $655,000 last year. Diluted net income per share was $ .11 this year, compared with $ .13 last year.

Six Months Results of Operations

For the six months ended March 31, 2000, consolidated net revenues of $19,911,000 were up $759,000 (4%) from the six month period last year. Placement service revenues decreased $252,000 (2%), due to a decrease in the number of placements. Contract service revenues increased $1,011,000 (13%) primarily due to an 11% higher average hourly billing rate. Contract service revenues represented 43% of the Company's consolidated revenues for the period, while placement service revenues accounted for 57% of the consolidated total.

The cost of contract services increased $640,000 (13%) for the six month period. The gross profit on contract services was $2,937,000 this year, compared with $2,566,000 last year, and the gross profit margin was 34.1% this year compared with 33.8% last year. Selling expenses for the period decreased $421,000 (6%) from last year. Commission expense decreased 6% due to a combination of lower placement service revenues and lower average commission rates, while recruitment advertising expense decreased 18%. General and administrative expenses for the period increased $688,000 (14%) from last year. Branch office salaries and wages increased 25%, and all other general and administrative expenses increased 8%. As a result, total operating expenses of $18,226,000 for the six months ended March 31, 2000 were $907,000 (5%) greater than the $17,319,000 in the prior-year period.

The Company had income from operations of $1,685,000, which was a $148,000 (8%) decrease from $1,833,000 in the prior year's six month period. The operating profit margin for the period decreased 1.1 points - to 8.5% this year compared with 9.6% last year.

Interest income for the six months increased $55,000 (24%) due to higher investable funds.

The Company had pretax income of $1,974,000 for the first six months, which was a decrease of $93,000 (5%) from last year. The effective income tax rate was 40% this year, the same as last year.

After taxes, net income was $1,179,000 for the six months ended March 31, 2000, which was a $63,000 (5%) decrease compared with net income of $1,242,000 last year. Diluted net income per share was $ .23 this year, compared with
$ .24 last year.

Financial Condition

During the six months ended March 31, 2000, the Company's cash and short-term investments decreased by $707,000 to a balance of $11,125,000. Net cash provided by operating activities was $312,000 for the period. Net income provided $1,179,000, while an increase in accounts receivable required $965,000, and other operating activities provided $98,000. The Company used $765,000 during the period for investments in property and equipment and other assets, and the payment of a cash dividend required $254,000.

The Company's net working capital was $11,874,000 as of March 31, 2000, compared with $11,391,000 at September 30, 1999, and shareholders' equity was $14,062,000 at March 31, 2000, compared with $13,137,000 last September.

As of March 31, 2000, the Company had no debt outstanding, and it had a $1,000,000 line of credit available for working capital purposes. All of the Company's facilities are leased, and information about future minimum lease payments is presented in the notes to consolidated financial statements contained in the Company's annual report on Form 10-K for the year ended September 30, 1999. Management believes that existing resources are adequate to meet the Company's anticipated operating needs.

Year 2000 Issues

Issues surrounding the year 2000 were the result of older computer programs being written using two digits rather than four digits to define a year. As a result, date-sensitive computer software or hardware containing this defect was susceptible to miscalculations or system failures if not corrected or replaced.

During fiscal 1999 the Company reviewed all of its critical computer hardware installations and software applications and determined that they were compliant with the year 2000. It also identified outside third parties that play a critical role in its operations and monitored the status of those parties. As expected, the Company has not had any difficulty processing transactions or conducting business in the year 2000.

The Company did not pursue year 2000 remediation projects in its staffing operations. As a result, consolidated revenues from such sources were insignificant. The sources of the Company's staffing revenues are generally from more traditional information technology development projects. Management believes that clients that diverted their spending from traditional projects to year 2000 remediation projects may have adversely affected the Company's business during the six months ended March 31, 2000. Because client spending on traditional projects has been deferred, however, the Company expects that the demand for its services will be particularly strong when clients return to spending on these projects during the last six months of fiscal 2000.

Forward Looking Statements

The Company's business, particularly placement services, can be volatile and may fluctuate from quarter to quarter. Operating results for interim periods are not necessarily indicative of results that may be expected for the entire year.

This report contains certain forward looking information that is based on management's current expectations and is subject to risks and uncertainties. Actual results could differ significantly. 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.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.

At the annual meeting of shareholders on February 28, 2000, the shareholders elected all of the nominees for election as directors. The name of each director elected, together with the number of votes cast for election and the number of votes withheld, are presented below:

Nominees	Votes For	Votes Withheld
Sheldon Brottman	4,680,998	166,494
Delain G. Danehey	4,681,979	165,513
Herbert F. Imhoff	4,681,228	166,264
Herbert F. Imhoff, Jr.	4,681,748	165,744
Walter T. Kerwin, Jr.	4,680,470	167,022

Item 6. Exhibits and Reports on Form 8-K.

The following exhibit is filed as part of this report:

No. Description of Exhibit

27 Financial Data Schedule for the six months ended March 31, 2000.

The Company filed no reports on Form 8-K during the quarter.

SIGNATURES

Pursuant to the requirements 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: May 3, 2000 By: /s/ Herbert F. Imhoff
Herbert F. Imhoff
Chairman of the Board
and Chief Executive Officer

Date: May 3, 2000 By: /s/ Kent M. Yauch
Kent M. Yauch
Chief Financial Officer
and Treasurer

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