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Mature Industry

An [industry](#) at the stage in its life cycle where it grows at the rate of the [economy](#) at large. This is marked by [earnings](#) growth (or shrinkage) in line with most of the rest of the economy. Companies in mature industries often pay higher [dividends](#) than those in a [growth industry](#) or a [transition industry](#). See also: [Three-Phase DDM](#).

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mature industry

An industry in which future growth is so limited that firms in it must grow by taking sales from competitors or by diversifying. The stock of firms in mature industries often has high dividend yields and sells at low price-earnings ratios. Because of their limited growth prospects, these stocks are most appropriate for conservative investors seeking high current income. The automotive, petroleum, and tobacco industries are examples of mature industries.

Wall Street Words: An A to Z Guide to Investment Terms for Today's Investor by David L. Scott. Copyright © 2003 by Houghton Mifflin Company. Published by [Houghton Mifflin Company](#). All rights reserved.

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